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Weekend

What price justice for victims of the Holocaust?

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Perhaps a sense of humour begets a sense of true style

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A helicopter is no match for an angry rhino

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how to spend it

Framing Caine Icons under the eyes of the portrait painter

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LATEST US EMPLOYMENT DATA QUELL MARKET EXPECTATIONS THAT THE FEDERAL RESERVE WILL RAISE INTEREST RATES

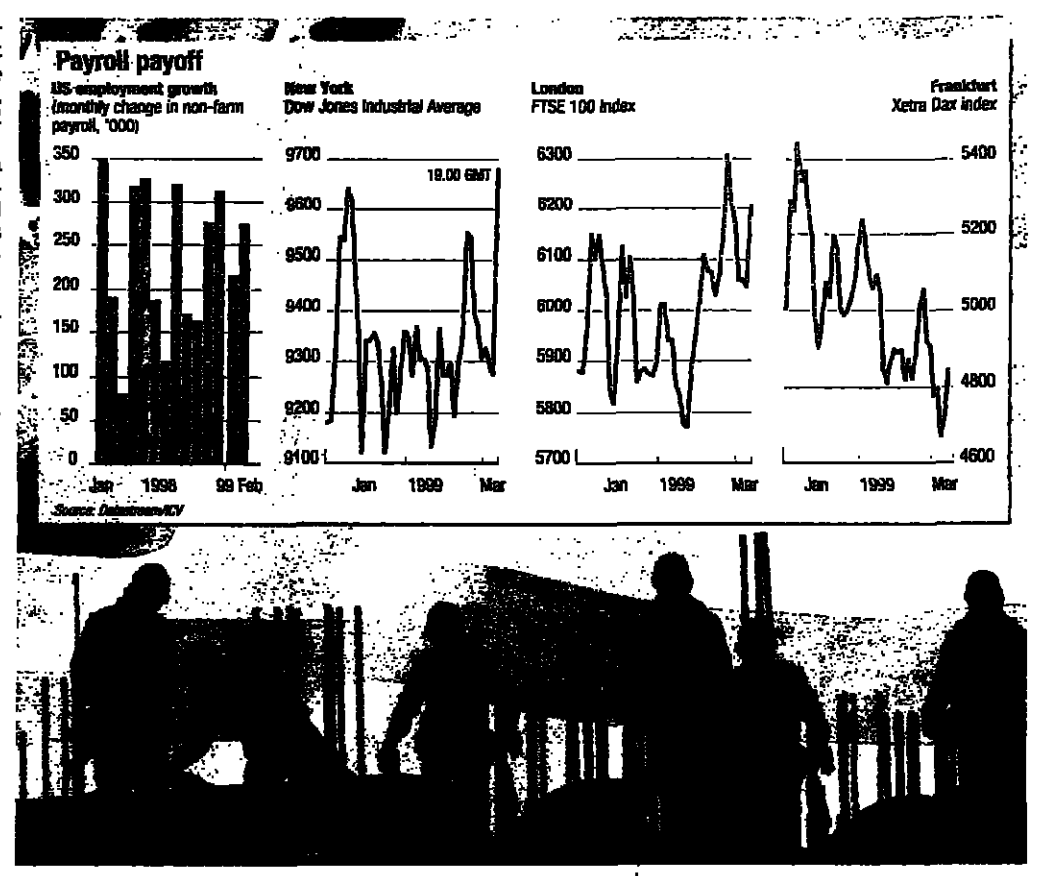
# Job figures boost Dow to record high

By Nancy Dunne in Washington and Philip Coggan in London

Latest US employment figures yesterday boosted world equity markets, driving the Dow Jones Industrial Average to record highs as expectations of a US interest rate rise receded. The Dow rose 200 points in early trading on a report from the Labour Department that showed the US unemployment rate for February edging up slightly from 4.3 to 4.4 per cent. The figures fuelled expectations that the Federal Reserve would not move to raise interest rates to check any risk of overheating in the economy. By early afternoon, the Dow was up 186.9 at 9,854.3, compared with its all-time closing high of 9,643.32 set on January 8. The benchmark 30 year Treasury bond gained nearly two points to 96.7, sending the yield down to 5.58 per cent. European share and bond markets were lifted by Wall Street's reaction, having been weighed down by the recent rise in Treasury bond yields. The UK gilt and German bund markets each rose by more than a point while in the equity markets the trans-national FTSE

Eurotop 300 index gained 2.3 per cent. The Paris and Frankfurt bourses each gained 2.5 per cent and in London the FTSE 100 index finished 104.1 points ahead at 6,206.5. The Labour Department figures showed the manufacturing sector shed 50,000 jobs in February. But the US economy as a whole added 275,000 jobs, mostly in the construction and services sectors. While strong, this increase was lower than market expectations. Wage pressures were unexpectedly tame, with hourly earnings rising by only 0.1 per cent, during the month and 3.6 per cent over the past year. In its Economic Data Bulletin, Morgan Stanley Dean Witter said the moderation in wages will "temper the Fed's enthusiasm for any near term rate hike". The US unemployment rate has been at or below 4.5 per cent since April 1998, the longest stretch of low rates in three decades. Despite tight labour markets in many regions, wage pressures have eased. The year to year rise fell to 3.6 per cent, well below the 4.4 per cent of the previous year. Wage restraint has been aided by losses in factory employment, down by 337,000 jobs since last

March. Employment in the clothing industry fell by 15,000 last month, while the motor vehicle industry lost 8,000 jobs; aircraft, 6,000; fabricated metals, 6,000 and industrial machinery 7,000. "Industrial exports have been hurt by lack of demand worldwide, while in commodity-based sectors, the worst culprit has been declining prices," said Gordon Richards of the National Association of Manufacturers. However, much of the rest of the economy is insulated from the global downturn. "Gains in income and employment will raise domestic demand, enabling the US to 'bridge over' the world recession," Mr Richards said. The economy - and the mild weather - added 72,000 construction jobs last month and retail payrolls jumped by 123,000 as shoppers kept the tills busy. The "miracle" economy owes much to low interest rates and the boost they give to housing. US builders completed a seasonally-adjusted 1.66 million homes and apartments in January, the strongest rate since July 1997. Bonds, Page 8 Currencies, Page 9 World Stocks, Pages 20, 21 London Stocks, Page 17



## Retailers count cost of tax on Europe's luxuries

By Andrew Edgecliffe-Johnson in New York

"There is no market for sweaters at \$700," says Finn Murphy. Yet The Cashmere Group, which he runs from the sleepy Cape Cod island of Nantucket, may soon have to charge that for its Scottish imports. Mr Murphy's three shops have been selling \$350 sweaters for 12 years. In four months, he says, he could be out of business - a casualty of a trade war between the US and the European Union which began with a dispute about bananas. On Thursday, the day the US implemented 100 per cent tariffs on more than \$500m worth of European goods from Scottish cashmere to Italian handbags, Mr Murphy lost a \$220,000 order from a catalogue company. He, in turn, has halted imports and is anxiously watching the deliberations at the World Trade Organisation, which is due to rule in the coming weeks. "On the retail side, I can weather it for three months," he said. His wholesale business, however, is "basically over and shut down". On Madison Avenue, Margaret Dittenberg of Cashmere New York has been luckier - she managed to ship all the cashmere she needs for this season a week ago. But "we are really worried about our Scottish suppliers. This could be the kiss of death for them". Phil Halbfinger, who runs the Signature pen shop further down the Avenue, said the economics of cashmere applied to Watermans, Mont Blancs and the other EU fountain pens caught by the 100 per cent tariffs. He was not panicking yet, however. "This is probably just a passing fancy. They'll kiss and make up." Importers may hold payment, Page 3

## China warns US not to include Taiwan in missile shield

By James Kyrie in Beijing

China yesterday warned the US that the inclusion of Taiwan in a mooted US-backed missile defence shield would be the "last straw" in deteriorating bilateral ties and would have serious consequences. The warning is the toughest yet in a dispute over possible US deployment in Asia of the so-called theatre missile defence (TMD) system, and came from a senior Chinese official. While he did not directly

threaten a military response to deployment, the official said: "Chinese people would be willing to die" to protect their country's dignity and sovereignty. He asked, rhetorically, how the US would feel if China began supplying missile technology to a US state? China regards Taiwan - which split from the mainland in 1949 - as its own province, and has maintained a long-standing threat to attack the island if it declares independence or if a foreign power tries to win indepen-

dence for it. TMD deployment in Taiwan, the official said, would amount to "direct US involvement in a hostile act against China: a physical alliance with Taiwan". It might also reassure Taipei to the extent that it decides to declare independence, he added. China has previously said the installation of such a defence system - a technology still largely on the drawing board - to protect US forces and allies in Asia would constitute a cold war act of containment against it. The US

has not yet made a decision on whether to deploy a TMD system in Asia, possibly including Taiwan, but it is under active consideration in Washington. The issue has over the past few weeks become the single largest source of friction in US-China relations, and threatens to overshadow a key visit to Washington by Zhu Rongji, the Chinese premier, which is due in April. The official dismissed suggestions this week by Madeleine Albright, US secretary of state, that China could work to avoid

the deployment of TMD by improving relations with Taiwan and co-operating with the US to prevent North Korea's development of long-range missiles. He said there was no room for negotiation or compromise with Washington over any plan to include Taiwan under a TMD umbrella which, it is assumed, would be able to protect the island from missiles the Pentagon says China has been moving to locations near the island. It was not clear what Beijing would regard as the defining act

of TMD deployment. But the official mentioned the possible US sale to Taiwan of Aegis warships - equipped with anti-missile defences - as a potential trigger. The official had a milder reaction to the possibility that the US may erect TMD defences for Japan, the main US ally in Asia. Tokyo and Washington began to study the installation of a defensive shield following the test-firing of a North Korean missile near Japan last August. Zhu threatens bad managers, Page 4

### News General

#### Western powers act in Bosnia

The western powers removed the Bosnian Serb nationalists' headline president, Nikola Popasen, and ruled that the disputed, Serb-held town of Brcko be placed under joint control. The US State Department advised its nationals not to travel to Bosnia. Page 2

**Blow to hopes of duty-free extension**  
Hopes of a reprieve for duty-free sales in the European Union were dealt a serious blow when the Finnish government indicated it would join Denmark in opposing any delay of proposed abolition in July. Britain and Germany want a 30-month extension. Page 2

**Brutal killers with an eye on power**  
The brutal killing of tourists in Uganda this week is a reminder that that Africa's interahamwe are a terrifying addition to the ranks of the 20th century's select killers. Their name used to refer to a system of communal labour, but now covers former militiamen whose aim is the re-establishment of Hutu power in Rwanda. Page 7

**Bank of Scotland picks TV evangelist**  
Bank of Scotland, one of the oldest UK banks, is to launch a direct bank in the US in partnership with Pat Robertson. The 68-year-old made his name as a politician and evangelist, but his greatest successes have been as a businessman. Page 7

### Man in the News

**George W. Bush**  
The Texas governor now girding himself to run for president is known as a "compassionate conservative". But he may be a more robustly conservative Republican than his ex-president father.



Page 7

### News Business

#### KKR takes 4.9% stake in TI

UK engineering group TI signalled its intention to step up its global expansion by announcing a deal in which US investment group Kohlberg Kravis Roberts has bought a 4.9 per cent stake in the company for £94.4m (\$151m). The move underlines interest by KKR in increasing its activities in Europe, where it plans to set up a \$3bn buy-out fund. Page 24 and Last

**Adelphia buys cable operator for \$5.2bn**  
Adelphia Communications of Pennsylvania rose to the top ranks of the US cable TV industry with the \$5.2bn acquisition of Century Communications, a leading operator in the west. The move is Adelphia's second substantial purchase in two weeks. Buying Century with a stock, cash and debt package will add 1.6m subscribers to Adelphia's rolls, mainly in California and Colorado. Page 24

**AT&T plans \$10bn bond to help finance TCI deal**  
US telecoms group AT&T is expected to launch a bond of up to \$10bn to help finance its \$48bn acquisition of cable group TCI, in the largest corporate bond issue. The offering would comfortably exceed the previous highest offering, a \$6.1bn bond launched by WorldCom to help finance its \$37bn takeover of MCI. Bankers said the conditions for launching dollar denominated paper were positive, following a sharp U-turn in the US treasury market. Page 24

**Goldman Sachs plans changes ahead of IPO**  
Goldman Sachs is to appoint a new chief financial officer and enlarge its 15-strong management committee to include two women, the first to rise to strategic management level in the firm's 130-year history. The moves are part of a series of changes in preparation for Goldman's initial public offering. Page 23

**German business in revolt over tax reforms**  
Business heavyweights in Germany are protesting against the reform plans of finance minister Oskar Lafontaine which involve a transfer of the tax burden from middle and lower income households to business. The timing could not be worse, in that the burden is being shifted when consumer demand is buoyant and business confidence is plummeting. Page 6

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## WORLD NEWS

## Hopes for duty free reprieve dealt blow

By Tim Burt in Helsinki, Clara MacCarthy in Copenhagen and Peter Norman in Brussels

Hopes of securing a reprieve for duty free sales in the European Union were dealt a potentially fatal blow yesterday when the Finnish government indicated it would join Denmark in opposing any delay to their proposed abolition this summer.

Although large member states led by Germany and the UK have urged a rethink on the abolition, the two Nordic states are expected to

block proposals to delay the end of such retailing by up to 30 months.

Sauli Niinistö, Finland's finance minister, assured Danish officials the Finnish government backed the original timetable in which duty free concessions would be abolished by July 1.

Last year, the value of intra-EU duty-free sales rose to \$5.75bn from \$5.31bn in 1997. Figures compiled by Eurostat show that Finland had the second largest duty-free turnover in the EU - totalling \$790.6m in 1998.

Finland's stand, likely to be confirmed at a cabinet sub-committee meeting in Helsinki next Friday, carries extra weight as the country assumes the presidency of the EU in the second half of this year.

Supporters of duty free had hoped Denmark would be persuaded to relax its opposition to an extension, given signs that Belgium and the Netherlands might reconsider their opposition. Yesterday, however, the Danish government reiterated its hardline stance and

welcomed indications of support from Helsinki.

Denmark's determination to ban duty free is based on the government's belief that duty free is a discriminatory system, tantamount to indirect state subsidies, and is therefore harmful to the completion of Europe's Single Market.

Finland's decision follows a meeting this week of the powerful Coreper committee of member states' ambassadors to the EU, at which only six countries supported the plan for a 30-month

extension before the introduction of excise duties.

Diplomats in Brussels said Britain, Germany, France, Ireland, Spain and Greece voted for a stay of execution for duty free.

The other nine countries backed a Commission proposal that duty free sales should be halted as planned on July 1 but with assistance to coastal regions badly hit by the decision. At least four countries were adamant that there should be no prolongation of duty free - a decision which would require unanimity among the EU's member states.

Because the ambassadors were following instructions provided by their national finance ministries, it seems virtually impossible that the next meeting of EU economic and finance ministers in Brussels on March 15 will reverse their decision.

As well as fearing job losses in coastal regions and on ferries, politicians backing a stay of execution argued that the end of duty free would add to the unpopularity of the EU.

## NEWS DIGEST

## COMMONWEALTH CHIEF URGES DEBT RELIEF

## Anyaoku wants write-off for world's poorest states

Chief Emeka Anyaoku, British Commonwealth secretary general, yesterday called for a "complete write-off of external debt" for some of the world's poorest countries.

Chief Anyaoku was speaking in London at a joint International Monetary Fund-World Bank conference, hosted by the Commonwealth Secretariat, to review the heavily indebted poor countries debt initiative (HIPC) launched in September 1996.

Recent proposals from the UK and German governments as well as G7 ministers of finance to improve the terms available showed there was "a real desire to improve the HIPC facility so that there can be a lasting exit from unsustainable debt for the poorest countries", he said.

Existing terms "do not go far enough in tackling the problems", he added. "I notice a sense of desperation on the part of a number of highly indebted countries about the lack of tangible progress in easing the debt burden."

Michael Holman, Africa Editor

## CUBA DETENTIONS

## Foreign criticism rebuffed

Cuba has dashed faint hopes for democratic reform briefly kindled by Pope John Paul's historic visit to the island last year by angrily rebuffing foreign criticism of the closed-door trial of four leading moderate dissidents.

Monday's one-day trial in Havana, from which foreign diplomats and journalists were barred, was accompanied by temporary detentions of scores of anti-government activists that drew strong and immediate international condemnation, notably from Canada and Spain.

Cuba's leadership, in an editorial in the Communist party daily Granma, dismissed the four accused dissidents as "US-backed traitors" and "mercenaries". The editorial also suggested foreign dignitaries and governments seeking their release were allowing themselves to be used in what it called Washington's "dirty game".

The harsh tone of the Cuban response indicated that the four dissidents tried on Monday - Martha Beatriz Roque, Vladimir Roca, René Gómez and Félix Bonne - were likely to be jailed for their peaceful anti-government activities. Pascal Fletcher, Havana

## HONG KONG BANK SECTOR

## Government to probe Peregrine

The Hong Kong government said yesterday it would launch an investigation into Peregrine, the pan-Asian investment bank that collapsed in January last year.

The government has come under strong pressure to launch a probe, but some in the industry have limited expectations of what it could yield. Several previous corporate investigations proved expensive and failed to call wrong-doers to account.

Nor will any investigation be swift. Liquidators are still raking through the 200 companies within the group, and are unlikely to conclude their work soon. The government, for its part, must first apply to the court to enable it to appoint an inspector. A preliminary probe has been carried out by the Securities & Futures Commission (SFC), the industry regulator, and it is on the strength of this that the government is taking up the baton. The SFC considered issues of disclosure and possible fraud.

While the government investigation is expected to focus on areas similar to those examined by the SFC, there are several other unanswered questions surrounding the group. These include hefty share buy-backs in the months leading up to the collapse. Louise Lucas, Hong Kong

## RUSSIA AND ESTONIA

## Accord on border treaty

Russia and Estonia reached tentative agreement yesterday on a border treaty that would fix the land and sea boundary between the former Soviet republics and exchange a small amount of land, officials said.

The two sides initiated the deal in St Petersburg after negotiations that involved Paul Mälik, Estonia's foreign minister, said the Estonian embassy spokeswoman, Janna Vanamõlder. "We shall have only this border, and all the rest is in the past," Mr Mälik said, according to Itar-Tass, the Russian news agency, referring to minor border disputes between the two countries.

The agreement delineates a border that runs 333 km (200 miles) on land and 500 km in the Narva and Finnish gulfs. The countries would exchange small parcels of land that total no more than 30 sq km, news agencies said.

The accord means the two sides are likely to agree on the treaty in its present form, but still have time to consider it. Ms Vanamõlder said no decision had been made on when the final treaty would be signed. AP, Moscow

## LUSAKA CUTS FUEL SUPPLY

## Kabila in Zambia for talks

Congolese President Laurent Kabila flew to Zambia yesterday for urgent talks after Lusaka cut fuel supplies to southern parts of the Democratic Republic of the Congo, diplomats said. In the latest escalation of regional tensions over the war in Angola, Mr Kabila flew to Zambia's northern city of Ndola to meet President Frederick Chiluba to discuss the Zambian fuel cut and a parallel move to curtail flights to the Congo across its airspace, the sources said.

Zambia is the only route for petrol supplies to southern Congo, including the country's second city Lubumbashi. Several sources said the city was facing fuel shortages. Angola, one of Mr Kabila's key allies in a war against rebels fighting the Kinshasa government, has accused Mr Chiluba of backing Angolan rebels fighting to overthrow the Luanda government. Reuters, Johannesburg

## PANAMA'S FORMER RULER

## Noriega's sentence cut

Manuel Noriega, the former military ruler of Panama who is serving a prison term in Florida after being seized by invading US forces a decade ago, has had his sentence cut from 40 to 30 years by a judge. The 62-year-old's release could now come in 2007 or 2008, his lawyer said.

In Panama there were calls for General Noriega to be returned to Panama after any early release, to comply with convictions for murder and other offences that have been handed down in his absence by Panamanian courts.

Gen Noriega co-operated with US intelligence for several years but was overthrown by the US in 1989 when President George Bush ordered the "Just Cause" invasion of Panama. He was captured and taken to the US, where he was convicted in 1992 of drug trafficking and racketeering.

Giving the reasons for reducing the sentence, US District Judge William Hovey said he "could not properly consider" what Gen Noriega might have done to Panama's people, or to political opponents. James Wilson, Panama

## EU farm aid talks end in disarray

By Emma Tucker and Michael Smith in Brussels

Talks on reform of European Union farm aid broke off in disarray yesterday when Germany appeared to make a wholesale retreat from a previous commitment to sweeping cuts.

As the latest round of talks in Brussels were suspended without agreement, the European Commission described as "totally unacceptable" watered-down German proposals for cuts in guaranteed farm prices.

The new plan, which dismayed most of the 15 member states, suggested that price reductions for cereals be limited to 10 per cent, half the cut put forward by the European Commission. It also proposed a 20 per cent price drop in the beef sector compared with the original Commission figure of 30 per cent.

In the dairy sector, Germany said existing quotas should continue until 2006 with no price reduction, a move that brought it into line with France, which has been pushing for dairy reform to be taken out of the negotiations.

Although Karl Heinz Funke, German agriculture minister, said he still believed a deal could be reached by the end of next week, Bonn's latest position further complicated the task that lies ahead.

Jean Glavany, the French farm minister, welcomed the softening in Germany's approach and described the new plans as "a step towards reaching a compromise".

But Wilhelm Molterer, the Austrian farm minister, cautioned against ducking bold reform: "A mini-reform is the worst possible option."

Earlier this week, Germany appeared to bow to French demands to abandon a system of "co-financing" the common agricultural policy, which would shift part of the burden of farm spending back to member states. Bonn insisted yesterday, however, that co-financing remained on the agenda.

With the EU committed to capping farm spending at the current level of €40.5bn (\$44.4bn) per year until 2006, the focus has had to switch away from savings through rationalisation or co-financing, to cuts in guaranteed prices and the longer-term goal of reducing direct aid payments.

Germany's new plans reflect its nervousness about inflicting drastic change on its own powerful farm lobby. A German diplomat said new proposals would be tabled for Tuesday next week, when talks are due to resume.

The little tug boat has become the latest device used by the Helsinki authorities to overcome the heaviest snowfall for almost two decades in the Finnish capital.

Following winter storms that have buried cars and blocked tramways, the city council has been forced to dump truckloads of snow into the sea, where it sits in greying mounds on the frozen ice floes.

The Merilintu's job is tedious but simple. It cuts through the ice and uses vintage engines to flush the snow into open water.

That, at least, is the theory. In the past month, however, the scale of the task has almost overcome the flotilla working in five dumping points around the harbour.

"We have had to remove 200,000 truckloads of snow and there is nowhere to put it but into the sea," says Timo Paavilainen, senior maintenance engineer at the city council. "But this year it is not melting."

## Bosnian Serb leader ousted by west

By Guy Dinmore in Belgrade

The western powers yesterday dealt a twin blow to Serb nationalists in Bosnia by removing their headline president, Nikola Poplasen, and ruling in effect to split the Serb entity by transferring control over the disputed Serb-held town of Brcko.

Tension was running high yesterday in Republika Srpska (RS), the Serb-controlled half of Bosnia, where Nato-led troops manned extra checkpoints and reinforced the eastern border with Serbia. The US State Department advised its nationals not to travel to Bosnia.

Carlos Westendorp, the international community's high representative in Bosnia, sacked Mr Poplasen, saying he "consistently acted to trigger instability in Republika Srpska" and had abused his office by trying to remove its pro-western prime minister, Milorad Dodik.

Mr Dodik, however, resigned in protest at the decision on Brcko after an emergency meeting of the Bosnian Serb government yesterday.

Mr Westendorp, a Spanish diplomat, has virtually unlimited powers under the 1995 Dayton peace accord, which ended the Bosnian civil war by dividing the Balkan state into two "entities" - the Moslem-Croat federation and the Serb-run RS.

Since his election last September, Mr Poplasen, leader of the ultra-nationalist Serbian Radical party, has blocked refugee returns and has refused to hand over control of the RS army to Bosnia's collective presidency, as ordered by Mr Westendorp.

In addition, alarm bells rang last month when a large cache of sophisticated weapons smuggled into Bosnia was found by Nato troops in the hands of the RS army near Brcko.

Brcko, a strategic rail



Carlos Westendorp (left) removed Nikola Poplasen (right) for obstructing peace

Reuters

junction and port on the Sava river, was the only part of Bosnia to be left unresolved by the map-drawers and architects of the Dayton treaty.

Its Moslem and Croat majority was expelled by Serb forces early in the war in 1992 and it remained under Serb control pending a ruling by Robert Owen, a US lawyer acting as international arbitrator.

Mr Owen yesterday gave his long-awaited ruling on

Brcko's final status, announcing that the Serb-held town and the adjacent Moslem-Croat controlled area would be merged into a "self-governing neutral district" with a multi-ethnic, democratic government.

The new Brcko district will report to Bosnia's collective, but so far ineffectual, central government. Diplomats said Mr Owen's decision was aimed at breaking down the ethnic partition of Bosnia.

Brcko straddles a narrow corridor of land in northern Bosnia linking the west and east of RS. Its removal from Serb control effectively divides RS into two territories and was vehemently opposed by Mr Poplasen.

Western officials said it was no coincidence Mr Poplasen was dismissed just before the announcement of the Brcko ruling. Bosnian Serb television reported Mr Poplasen refused to accept his dismissal.

## Italy outraged by acquittal of pilot

By Stephen Fidler in Washington

Massimo D'Alema, the Italian prime minister, met President Bill Clinton at the White House yesterday after promising he would raise the US court martial acquittal of a US marine pilot accused of causing the deaths of 20 people in an Italian ski resort.

The acquittal of the pilot, Richard Ashby, has prompted outrage in Italy and Mr D'Alema said he was baffled by the verdict.

Mr Ashby, who was pilot-

ing the jet that sheared lift cables, causing 20 people to fall to their deaths, was also acquitted on lesser charges of destroying property and dereliction of duty.

Speaking before their meeting, Joe Lockhart, the White House spokesman, said that Mr Clinton would repeat his "sincere regret over this tragic incident" if the subject was raised. "I think it is a testament to the strength of our relations, of US-Italian relations, that this hasn't soured the relationship," he said.

But in Rome, senior figures in the Italian govern-

ment lined up to express anger at the acquittal of the marine pilot, warning that there would have to be a confrontation with the US over the verdict.

Rosa Russo Jervolino, Italy's interior minister, said the verdict was "absolutely unacceptable". She said Italy "had full respect for the US judiciary but we also have 20 dead. We are not looking for a vendetta but for justice".

Carlo Scognamiglio, minister of defence, said the verdict could lead to Italy reconsidering Nato accords, under

which US servicemen serving in Europe can be tried under their own country's jurisdiction after being accused of a crime. He said the acquittal of the pilot "leads us to reflect on the clauses of international treaties that regard jurisdiction".

Marco Minniti, under-secretary to the prime minister, warned Italy was "not an American colony" and that there would have to be negotiations with Washington "to ensure that no open wounds are left not only in our country but in

other European countries".

Mr D'Alema is now expected to report to parliament next week on his talks with Mr Clinton and the action he intends to take over the verdict. But the ruling majority in the Italian parliament has already decided to open an inquiry into the incident, claiming that the US judiciary has failed in its task.

One issue is compensation. US officials say they have paid \$65,000 to relatives of the people killed and the US would pay 75 per cent of the settlement in the wrongful death claims filed in Italy.

## Heavy snow tests nerves in Helsinki

By Tim Burt in Helsinki

The Merilintu tug boat has not worked so hard in years. Dented and scarred by too many Baltic winters, the ageing Finnish vessel has spent the past three weeks on a voyage going nowhere.

From its base each day, the Merilintu sails in circles around Helsinki harbour. "I am totally bored," says the pilot. "We are clearing ships, we are clearing snow from the streets."

The little tug boat has become the latest device used by the Helsinki authorities to overcome the heaviest snowfall for almost two decades in the Finnish capital.

Following winter storms that have buried cars and blocked tramways, the city council has been forced to dump truckloads of snow into the sea, where it sits in greying mounds on the frozen ice floes.

The Merilintu's job is tedious but simple. It cuts through the ice and uses vintage engines to flush the snow into open water.

That, at least, is the theory. In the past month, however, the scale of the task has almost overcome the flotilla working in five dumping points around the harbour.



A lorry dumping snow in Helsinki harbour

Reuters

By early March, the Baltic waterway is usually able to consume and disperse such winter debris. But sub-zero temperatures have kept the snow stubbornly in harbour, turning the sea into a giant, white meringue. In one inlet, the overflow has stranded old cargo boats and even capsize the Walski floating restaurant.

In the city centre, the snow has buried parts of Tsar Alexander II, thought to be the only statue of a member of Russia's Romanov dynasty to survive the Soviet Union - a throwback to the days when Finland was a grand duchy of Russia.

Mechanical diggers have

been brought in to clear snow from the site, once again allowing Russian tourists to have their pictures taken beside the so-called "good fair".

But the dumping expected to cost the city FM20m (\$3.6m-\$5.5m), has now begun to attract the attention of environmental groups concerned that pollution and waste in the snow could harm marine life below the surface.

Mr Paavilainen says the snow has been tested for contaminants and is perfectly safe.

Besides, he adds: "The streets are full of snow and there is no room for cars; we have no choice."

## Yeltsin draws criticism over Berezovsky

By Andrew Jack in Moscow and David Buchan in Sochi

Several of Russia's neighbours reacted with irritation yesterday to President Boris Yeltsin's impulsive efforts on Thursday night to sack the influential "oligarch" Boris Berezovsky, executive secretary of the Commonwealth of Independent States.

The action represented a sharp escalation in the increasingly bitter political battle between Mr Berezovsky and the Russian government of Yevgeny Primakov, and risked triggering new tensions between Russia and the 11 ex-Soviet states on its borders.

It was also the latest president's strongest attempt to soothe his tense relations with Mr Primakov and to distance himself from Mr Berezovsky, the Russian president's one-time ally and a principal backer of his 1996 election campaign.

President Haydar Aliyev of Azerbaijan, who held a long-scheduled meeting with Mr Berezovsky in the capital Baku, was one of several heads of state to say Mr Yeltsin's action had been taken unilaterally and needed to be discussed with other members of the CIS.

Berezovsky criticised Mr Yeltsin's calls as a futile attempt to "restore the empire", but he cut short his visit to Baku and flew back to Moscow yesterday after-

noon, as his prospects of maintaining his post rapidly shrunk.

Dismissal would lead to the removal of diplomatic immunity the post grants Mr Berezovsky, leaving him more personally vulnerable to attacks by prosecutors, who have in the last few weeks launched high-profile raids against companies with which he is believed to be associated.

They could also trigger a bout of intensified retaliation, following corruption allegations against members of the government in the last few days by newspapers believed to be close to Mr Berezovsky, who has been sharply critical of Mr Primakov's administration.

At his Black Sea dacha (holiday home), Mr Primakov said Mr Yeltsin's move was justified because of Mr Berezovsky's increasingly overt criticism of the Russian government.

Eduard Shevardnadze, the president of Georgia, and Nurlan Balgimbayev, the prime minister of Kazakhstan, indicated they had not been consulted on Mr Yeltsin's decision.

Officials said Mr Yeltsin, who is recovering in hospital from an ulcer, telephoned CIS heads yesterday to seek their support for the sacking, the latest in a long series of changes in senior positions he has carried out between bouts of illness over the past few months.







## ASIA-PACIFIC

## Zhu threatens 'yellow card' for bad management

By James Harding in Beijing

Zhu Rongji, China's prime minister, yesterday threatened to issue "yellow cards" to incompetent managers of state industries - similar to those given as warnings to soccer players during a match - a warning to businesses across the country that corrupt and uncommercial practices threaten to drag down the economy.

Speaking at the opening of

the annual session of the National People's Congress, China's parliament, Mr Zhu was unbowed in his determination to tackle head-on the challenges in a country where, as he put it, "financial discipline is lax and economic order is somewhat in disarray".

China will seek to reflate "feeble" domestic demand and achieve growth of around 7 per cent in 1999 through an aggressive policy

of fiscal expansion, raising the budget deficit by more than half this year.

But, in an admission of the contradiction at the heart of a spending programme in a country dogged by corruption and chronic industrial overcapacity, he ordered local authorities and state banks to stop lending to all but a few industrial projects. Officials say 70 per cent of China's main industrial products are in oversupply.

"With the exception of a number of projects designed to raise the technological level of production, upgrade products and manufacture marketable products, government at all levels should stop examining and approving industrial development projects and banks should stop granting loans to them," he said.

Mr Zhu, who has come under pressure from inside the Communist party to slow

China's painful economic transition, showed no sign of easing up on state enterprise reform or the clean-up of public service.

"The leaders of enterprises operating at a serious loss because of poor operation and management will be shown a yellow warning card in one year and will be dismissed from their posts in two years," Mr Zhu said, introducing a new, but characteristically punitive, mea-

sure for managerial incompetence in the state sector.

In a warning that says much about how local authorities handle problems, Mr Zhu said on no account should officials "use dictatorial means against people".

The expansionary policy is something of a turnaround for Mr Zhu, who earned his reputation for steady economic management by reigning in rampant inflation in the mid-1990s. But he dis-

missed concerns that a policy of deficit spending in the short term - the budget deficit will rise by 56 per cent in 1999 to Rmb150.3bn (\$18bn) - could reignite inflation by noting that in a country where prices are still falling "there is little possibility of such a danger".

Beijing appears likely to approve the sale of another national bond to commercial banks for infrastructure projects, similar to the

Rmb100bn bonds issued last year, after Mr Zhu indicated yesterday that such debt issuance is "imperative" to help achieve faster growth.

Mr Zhu also signalled a substantial shift in concern about the environment, noting that "the deterioration of the ecological environment remains a glaring problem" and pledging to reduce logging, improve air quality, in the capital and punish polluting enterprises.

## Cash-tight military in Thailand shows its might to tourists

Ted Bardacke sees how budget cuts have led to financial reforms and a total bar on purchases of new equipment

Docked off the coast of the Gulf of Siam is Thailand's newest tourist attraction. Each weekend, swarms of visitors scramble about the deck of the country's brand new and only aircraft carrier, bought from Spain for \$220m just as the economy was beginning to collapse.

Now the Thai armed forces, hit by tight budget cuts, are too poverty-stricken to use the ship. The navy plans to put the carrier to sea for costly training only 30 days this year.

Last year Thailand also pulled out of an agreement to buy F-18 combat aircraft, losing a \$75m deposit to save the additional \$317m needed to take delivery. And earlier this month the army saved \$15.5m by choosing to buy used trucks from the US rather than new ones.

"Yes, this all adds up to a trend," says General Surayuth Chulanont, Thailand's new reformist army commander-in-chief. In terms of weapons systems and big items, "we won't buy anything for the next five years," he says.

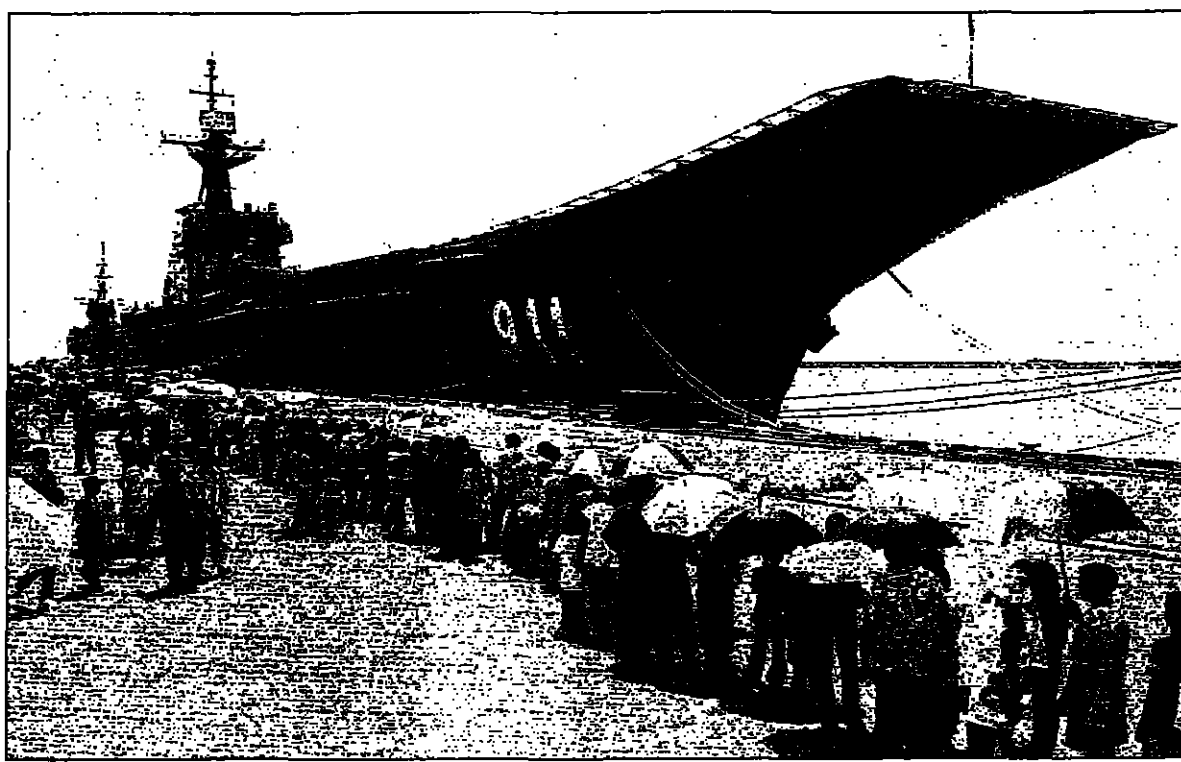
Gen Surayuth has a message for arms dealers who hope that glimmers of eco-

nomic recovery in Thailand will prompt a new wave of defence spending after it collapsed last year along with the economies of south-east Asia. "There shouldn't be any intention to drop by and sell us things," he says with a smile that could be taken for a grimace. "We are broke."

Appointed late last year, Gen Surayuth is shaking up an army that is more famous for its effectiveness in mounting coups and running businesses than winning battles. The key to that reform is a clean-up of army finances - no easy task when the "no major purchases" pledge hurts the pocketbooks of officers who in the past took kickbacks

**'There shouldn't be any intention to drop by and sell us things,' arms salesmen are warned. 'We are broke'**

and demanded bribes as a routine part of procurement. Gen Surayuth, former head of the special forces, claims the Thai army can maintain its readiness for its three big tasks - border



Thailand's aircraft carrier attracting a steady stream of tourist visitors

defence, drug interdiction and natural disaster assistance - without new equipment.

Instead, his focus on finan-

nel. That hurts development, he says.

The army also controls a

number of lucrative businesses such as TV and radio stations, profits from which have disappeared into individual pockets and several secret slush funds. As part of the clean-up of the army's personnel and financial management, the proceeds of these businesses will now go into a central fund open to scrutiny by the government's auditor general.

The funds will be spent exclusively on the welfare of ordinary troops, who on base lack things such as commissaries, recreation halls and,

one of Gen Surayuth's pet projects, cable television, which he says help keeps military families together.

Control of Thai Military Bank, the alling commercial bank in which the armed forces have a 30 per cent stake, with senior officers holding additional stakes as individuals, will also be phased out.

"It's quite unthinkable in a sense that a military actually is involved in the banking business," he says. "What we are trying to do is to reduce our share in the Thai Military Bank and we will try to get... strategic partners to help us."

## Japan seeks to create 770,000 jobs in 2 years

By Alexandra Nussbaum in Tokyo

The Japanese government yesterday announced a plan to create 770,000 jobs over two years, in an attempt to address the country's highest unemployment level since the war.

Government measures may be needed to jump-start the economy, but there is criticism that structural changes supporting the development of small businesses would prove more effective than this type of social engineering.

"The plan is nonsense. The government is willing to sacrifice growth by supporting employment," said Chris Calderwood, chief economist at Jardine Fleming Securities.

Unemployment reached a record high of 4.4 per cent with 2.98m people out of work in January, according to government figures released last week. And concerns over future job security have been blamed for the country's sluggish domestic demand.

"This is a pipe-dream," said Peter Morgan, economist at HSBC Securities. "You cannot boost employment directly with make-work jobs. You need to increase the social safety net so people are less worried about their jobs."

The government plan would create 400,000 jobs in housing, 180,000 jobs in the information and technology from growth in internet-related businesses, 100,000 jobs in health and welfare and 90,000 jobs tourism, primarily from deregulation of air transportation.

"The wrong people are suffering. Young workers with no skills and older employees with no appetite for risk have been losing their jobs. But it is the middle-aged managers with experience and a redundancy cheque who could start their own companies," said Mr Calderwood.

Meanwhile, Japan's domestic wholesale price index hit a 19-year low last month, underscoring the magnitude of the country's worst deflation since the war. However, the depreciating yen counterbalanced sluggish domestic demand and relieved pressure on overall wholesale prices.

Domestic wholesale prices have been nudging down since last year, but exchange rate volatility has caused fluctuation in overall wholesale prices, said Richard Jeram, chief economist at ING Baring Securities.

The wholesale price index stood at 95.2 against the base of 100 in 1995, the lowest since July 1979, when it was 95.5.

## Albright seeks international presence in East Timor

By Sander Theonies in Jakarta

Madeleine Albright, the US secretary of state, yesterday called for an "international presence" and a "peace and stability council" in East Timor but failed to clarify the White House's response to Indonesia's sudden policy shift on the territory.

Mrs Albright, on her first visit to Indonesia as secretary of state, said "an international presence to reduce the prospect of continued violence" was needed, along with a reduction of Indonesian troops and disarmament of paramilitary gangs that

have clashed in recent weeks.

A senior State Department official travelling with Mrs Albright told reporters that the White House believed elements of Indonesia's military were arming pro-integration East Timorese.

In a speech to Indonesian notables, Mrs Albright failed to clarify whether such an "international presence" would include peacekeeping troops or merely observers, as suggested recently by Australia. Similarly she offered no details on her proposal for "a broad-based peace and stability council", presumably a gathering of

East Timorese groups, which are deeply split over the offer of independence.

The US, Australia and other countries were caught off guard when Indonesia in January offered independence to East Timor as an alternative to an earlier promise of autonomy.

Australia last month suggested the formation of a diplomatic contact-group with the US, Japan and other countries but no country has so far made any detailed policy statement on East Timor.

Mrs Albright revealed unease with Indonesia's threat to walk out of East

Timor by stressing that "too abrupt a transition could result in violence".

She also said there needed to be "a credible means to assess the will of the East Timorese people" on the proposal but stopped short of urging a referendum.

Indonesia has objected to holding a referendum, but officials have said they could accept an indirect vote by an assembly of East Timorese delegates.

Mrs Albright met President B.J. Habibie, his foreign minister and military chief, as well as opposition leaders and Xanana Gusmao, the jailed Timorese rebel leader.

## Part-aboriginal 'lost generation' seek redress for their suffering

By Owen Robinson in Sydney

Australia's troubled history of race relations between white settlers and indigenous aborigines surfaced this week in a landmark case launched by two part-aboriginal people against the government.

Before the federal court in Darwin, Lorna Cubillo, 60, and Peter Gunner, 51, recounted how officials forcibly took them from their families when they were seven years old. Ms Cubillo said she remembered being taken from her home and herded, along with 16 other part-aboriginal children, into the back of a truck lined with chicken wire in 1946. Mr Cubillo, who said his family tried to hide him under blankets when officials came to his home, was taken in 1966.

The two were placed in church missions and hostels in the Northern Territory, under the government's assimilation policy of taking mixed-blood children and raising them in church missions or in white families. In a courtroom packed with aboriginal supporters every day this week, Ms Cubillo and Mr Gunner recounted how they were sexually abused, humiliated and beaten by staff for years for

breaking minor rules, including speaking their native language.

Jack Rush, lawyer for Mr Gunner and Ms Cubillo, told the court the government had had a deliberate policy, supported by official documents warning of rapidly increasing numbers of "half caste" children.

Mr Gunner said he did not know how to speak English when he arrived at a church hostel in Alice Springs, and was flogged with a length of hose whenever he spoke his traditional dialect.

Like thousands of other part-aboriginal children who form what has become known as the "stolen generation", the two were denied access to their families until they were released from institutions in their mid-teens.

Socially and economically, Australia's population of nearly 400,000 aborigines are the most disadvantaged group of the country's 18.3m population.

The case is the first civil law action of its kind to be heard in an Australian court. Ms Cubillo and Mr Gunner are suing for compensation from the government for their suffering.

The allegations have sweeping implications for the conservative government of John Howard, the prime

minister, and at least 30,000 part-aboriginal Australians who say they belong to the stolen generation. Most were fathered by Europeans who abandoned the mothers. In the Northern Territory alone, there are about 700 other claimants.

Shortly after Mr Howard came to power in 1996, Australia's Human Rights Commission deemed the assimilation policy a "form of genocide" and urged compensation for victims. The commission's report listed physical and sexual abuse inflicted from the 1880s to the 1960s on tens of thousands of aborigines, some of

whom were virtual slaves to white families. Mr Howard provoked public anger when he refused to apologise for the government's actions.

This week's hearing deepened divisions in the race debate. Douglas Meagher, the government's leading lawyer, said Ms Cubillo and Mr Gunner's claims were "frivolous, vexatious and an abuse of process", and came long after expiry of the six-year statute of limitations.

The lawyers denied government liability, saying "half-caste" aboriginal children were taken to hostels because they were outcasts in their communities.

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6 March 1999



GOVERNMENT AID GERMAN COMPANY APPLIES FOR ASSISTANCE IN 'POSITIVE SIGN'

# BMW signals it may save Rover factory

By Juliette Jowitt in Birmingham and Robert Peston in London

BMW has given its first signal since its boardroom upheaval that it intends to rescue the ailing Rover car factory at Longbridge in the English Midlands.

The German group has made a belated application for around £200m (£320m) of UK government aid. The request was received on Thursday by the UK government's Department of Trade and Industry but kept under wraps.

A government member said it was a "positive sign" that the company was planning to use the factory to "build its new generation of mid-range car". The company had not attached any impossible conditions to the application for a subsidy and had asked for an amount which was "within the range" of what ministers consider acceptable.

The news will bring widespread relief after mounting fears that delays to the application - which has been pending since November -

could signal a shift by the BMW board to favour building the new car elsewhere, possibly in Hungary.

Failure to win the new car could have spelled doom for the factory, with the loss of 10,000 jobs at Longbridge and up to 45,000 more in the local supply industry. Gerard Coyne, chairman of the municipal authority for Birmingham, the nearest big city, said: "This is the news that we would always warmly welcome. This is a vote of confidence for the

manufacturing skills of Birmingham and the UK and proves the attractiveness of international investment into the UK."

The trade and industry department confirmed it had received the application. A decision on whether to grant it, to be made in consultation with the Treasury, could be made within a matter of only weeks.

"[The application] is at present being carefully assessed and appraised in accordance with the normal rules and criteria for offering

financial assistance, but we realise the need to complete those processes as soon as possible," said an official.

The Rover grant would be the biggest government aid package to a car company for more than a decade. Jaguar was given £40m in 1997 and 1998. Rover has had £23.5m for a new engine plant at Hams Hall near Coventry.

The threat hanging over Rover arose again last month when Bernd Pischetsrieder, the BMW chairman

who led the purchase of the UK company in 1994 and has been its fiercest champion, was ousted from the board, which announced a review of its strategy for the subsidiary.

Rover is believed to have lost £100m last year on the back of poor sales, restructuring costs and the strength of sterling.

In the first two months of this year Rover's share of sale of new cars in the UK was 8.3 per cent compared with 8.9 per cent a year earlier.

SWEDISH TRADING BANK MOVES DAYS BEFORE STOCKHOLM EXCHANGE IS TO PUBLISH INQUIRY RESULTS

## CSFB dismisses three traders in London

By Jane Martinson, Investment Correspondent

Three of the City of London share traders known as the Flaming Ferraris were dismissed by Credit Suisse First Boston yesterday following an internal investigation.

The announcement comes days before the Stockholm Stock Exchange publishes the results of its investigation into alleged market manipulation involving the

three men - James Archer, son of the UK Conservative lord and novelist Jeffrey Archer, David Crisanti and Adrian Ezra.

Yesterday's statement said the three members of the bank's index arbitrage team had been dismissed for "cause" following the investigation, understood to relate to dealings in Stora, the Swedish forestry group.

Although the Swiss-US investment bank refused to

give details about any regulatory, disciplinary or compliance matters, the statement said the bank demanded: "We are both clear and consistent in demanding high ethical standards from our staff. There is no place in our organisation for those who do not meet such requirements."

The Stockholm Stock Exchange prompted the investigation after noticing a series of deals by Mr Archer said to be worth less than \$500m (£320m) on the last day of trading last year. Mr Archer is understood to have been dismissed for this trading, suspected of being a means to move the thinly-traded Swedish index.

Mr Crisanti, head of the London-based team, and Mr Ezra, Mr Archer's line manager, were dismissed for their handling of the case. Mr Ezra announced his resignation on Thursday and is

expected to claim a bonus for his work last year, which CSFB is expected to fight as it believes that the resignation has been nullified by it having found evidence of wrongdoing during the normal 30-day notice period.

Keith Oliver, the lawyer acting for Mr Ezra, called the bank's action "otiose" and said the resignation still stood. Neither Mr Archer nor Mr Crisanti has commented on the investigation.

## Intel welcomes internet security proposal

By Paul Taylor in London

The UK government has backed away from an open confrontation with the information technology industry over demands that the security services be given access to encryption keys so that they can monitor internet-based electronic commerce messages. Its proposals were welcomed by Intel, the US chipmaker.

Instead, the government says in its long-awaited proposals for electronic commerce legislation published yesterday, that it will seek ideas on how to meet the twin objectives of encouraging secure internet based "e-commerce" while protecting the interests of the law enforcement agencies.

The government's change over key escrow and third party key recovery, which involves storing confidential keys and recovering encrypted data, was welcomed by the UK's Alliance for Electronic Business as well as Intel, one of the most vociferous opponents of key escrow.

The government's proposals are set out in a consultation document published yesterday by Stephen Byers, the chief trade and industry minister and Jack Straw, the home secretary.

They include plans to set up a voluntary licensing system for businesses providing electronic signatures, proposed changes to other laws needed to ease the growth of e-commerce, and establishing the liability of service providers.

"The way we do business in the future is set to change dramatically," said Mr Byers, launching the consultation document. He said the proposed legislation would remove legal barriers to using electronic means in everyday dealings.

The government had argued that access to key escrow and third party key recovery was needed to combat crime. Industry, led by IT companies, argued that making this a requirement under a licensing scheme would hinder the development of electronic commerce in Britain.

Peter Agar, chairman of the AEB, said the plans recognised the "technical difficulties and potential damage to business competitiveness which such measures would cause."

Keith Chapple, director of government affairs for Intel in Europe, said: "A requirement for licensing and offering encryption services could seriously hinder the development of electronic commerce in the UK."

## 'Flaming Ferraris' pay a price for life in the fast lane

Jane Martinson examines the reputation - as well as the alleged wrongdoings - of the traders caught in the latest City furore

When James Archer was a student his prowess as a runner left many rivals trailing. He continued on the fast track as an investment banker, but crashed within months of joining a big City of London firm.

The furore sparked by the alleged antics of the 24-year-old son of Lord Archer, the Conservative politician better known as the novelist Jeffrey Archer, has deeply embarrassed a City that has sought to play down a reputation for hard and high living since the end of the 1980s.

The latest episode has been sparked by a team of traders known as the "Flaming Ferraris" after a favoured cocktail that had to be drunk quickly to avoid possible injury.

The speed of the rise and apparent fall of Mr Archer and his team surprised some in the City. Mr Archer joined the index arbitrage desk at Credit Suisse First Boston, the Swiss-US investment bank, last summer after graduating from Oxford University.

Within months the five members of the team were

featured in newspaper articles emphasising their trading success as well as their high-living ways.

They were said to be looking forward to bonuses worth several hundred thousand pounds after a highly successful year during which they took little time off.

Just over a week after these reports appeared, Mr Archer's dealings in Stora, a Swedish forestry company, were being investigated by the Stockholm stock exchange for possible market manipulation. CSFB had become a member of the Stockholm Stock Exchange only on October 27.

The investigation led to two other members of the "Flaming Ferraris" being suspended last month alongside Mr Archer for alleged lack of supervision. One, Adrian Ezra, Mr Archer's 26-year-old line manager, resigned on Thursday as a derivatives trader on the index arbitrage desk of the bank.

Before the results of the investigation are published early next week, few know exactly what happened. But many in the City of London are convinced that the team



Celebration: the 'Flaming Ferraris' arrive at a London restaurant

Sunday Telegraph

did itself no favours when a photograph appeared in early press reports of them looking like the gangsters from *Reservoir Dogs* turning up for an Oscar ceremony.

One senior banker said this week: "The best bankers are the ones with the lowest profiles."

Some City sources suggest that the embarrassment felt by CSFB, already suffering from the more serious allegations of the Japanese regulatory authorities, would have left the men friendless when it came to the Swedish incident.

The bank, with a reputation among rivals for a combination of Swiss reserve and American risk-taking, is understood to be horrified that the antics of one team should have attracted so much attention.

The alleged wrongdoing

has similarities with action taken by the London Stock Exchange last year when two dealers at JP Morgan, the US investment bank, allegedly sought to influence the London index. The investment bank was fined £350,000 and the two men left the company.

But CSFB had already endured the attention of the press over the antics of its team before such allegations were made. "Some people [at the bank] would have just been waiting for them to trip up," a City observer said yesterday.

The team, which made large bets on anomalies between the index and futures contracts, had an aggressive reputation but they were also admired. One banker said: "They were reasonably arrogant but a lot of people are in this business."

That's no crime." Keith Oliver, the lawyer acting for Mr Ezra, yesterday said he was seeking to protect his client's reputation so that he could return to the City in a job "consistent with his hard-working approach to life and sense of integrity."

It is unclear how serious the alleged crimes of the three men are. The size of the alleged trades less than £700,000 - was described as "minuscule" by one trader yesterday.

But the charges could be serious if there is evidence that Chinese walls were breached with cross trades, for example. CSFB could be faced with expulsion from the Stockholm stock exchange - although it is more likely to face fines of up to £1.2m for breaching membership rules modified last July.

## Blair warns of vote 'confusion' among Scots

By George Parker in Glasgow

Tony Blair, the prime minister, yesterday warned that nationalists could win vital seats in the first elections to the Scottish parliament, to be held in May, because many Scots do not understand the voting system.

Mr Blair's advisers have warned him that the Scottish National party could be the main beneficiary of confusion over the new propor-

tional system. The SNP campaigns for an independent Scotland in the European Union.

Elections will cast two votes on May 6 - one for a local district representative under the traditional "first-past-the-post" system, and a second under proportional representation for a candidate on a regional list. The traditional system is not proportional: the candidate with the largest number of votes wins, even if that number is

a minority of the votes cast. Mr Blair, speaking at the Scottish conference of the governing Labour party, said: "We have to make sure people know how the system works - make sure they know both votes matter."

Private party polling has shown some Labour supporters are confused, and wrongly think their second vote should be cast for their second-choice party, which is often the SNP. "People should use their first vote

for Labour and their second vote for Labour too," Mr Blair said.

Cabinet ministers admit there is a real danger that the confusion could allow the SNP to win some key seats on regional lists. A £2m advertising campaign to explain ballot procedure is under way, but some Labour officials believe it may be too late.

This will be the first year of elections to the Scottish parliament and Welsh

assembly, and there will also be elections for the European parliament. The elections will all be fought under PR, bringing most British voters into contact with the concept for the first time.

Mr Blair used his speech to launch an attack on the SNP, whose policies he claimed did not stand up to scrutiny. He said Labour was the party of true patriotism because it saw Scotland as an outward-looking and innovative nation.

return to the Court of Appeal as Master of the Rolls, he seized it.

Following his retirement in 1982 at the age of 83, Lord Denning earned a reputation as a "character" and found himself much in demand for his robust opinions. In 1986, he led an unsuccessful attempt in the House of Lords to stop the bill giving legal effect to the Single European Act.

He campaigned vigorously on local issues, returning to court in his eighties to fight for local causes. From time to time injudicious remarks landed him in more hot water. Remarks about the release of the Birmingham Six and the Guildford Four in a magazine interview in 1990 led to him being placed

under police guard for fear of reprisals by the Irish Republican Army.

If, in the short term, he is remembered by some as a "character" who allowed his prejudices to show through

in old age, for many others he will be revered for his unique contribution to the development of English law in the 20th century.

Robert Rice

## NEWS DIGEST

## NORTHERN IRELAND

## 'Loyalist' murder claims spark call for inquiry



The UK government yesterday faced calls from Northern Ireland nationalists to review the 10-year old murder of a prominent Roman Catholic lawyer after a leading "loyalist" claimed widespread collusion between the security forces and anti-nationalist terrorists. The moderate nationalist Social Democratic and Labour party called for an official investigation after a leading member of the banned Ulster Freedom Fighters claimed the British Army and the Northern Ireland police had helped loyalists target republicans. Bobby Philpott, jailed for 15 years for attempted murder, told the BBC that security forces passed on photographs and dossiers which helped the UFF. Mr Philpott is pictured left in prison last year waiting for a visit from Mo Mowlam, chief Northern Ireland minister in the UK government. Gary McMichael, leader of the Ulster Democratic party, political wing of the Ulster Freedom Fighters, said yesterday an inquiry was unlikely to turn up evidence of "structural collusion". Pat Finucane, a lawyer who represented republican suspects, was shot in 1989 by a "loyalist" gang alleged to have included a British military intelligence spy, John Murray Brown, Dublin

## EMU MEMBERSHIP

## Opposition increases slightly

The government's "change of gear" towards UK membership of European economic and monetary union has failed to make inroads into public hostility towards the euro, a new opinion poll has found. The poll by MORI Financial Services and Salomon Smith Barney, the investment bank, detected a slight rise in the number of people who said they were against sterling's membership. Fifty-two per cent of those polled were against joining EMU, with 52 per cent in favour and 15 per cent undecided. More than 2,000 people were polled between February 25 and March 3. Tony Blair, the prime minister, unveiled the UK's national changeover plan for the euro only two days before the survey began.

The number against membership had risen by one percentage point since the last poll in January. Richard Adams, London

## LONDON TRAFFIC CONGESTION

## \$8-a-day fee proposed

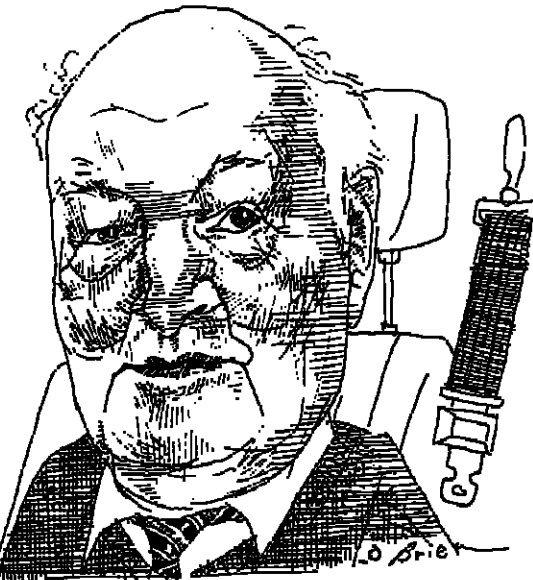
Two of London's leading business organisations clashed yesterday over proposals for charging motorists £5 (\$8) a day to drive into central London, raising £200m a year. London First, a lobby group, put forward plans to reduce traffic in a wide area north of the River Thames. The money raised would be reserved for use by the new mayor of London, to be elected next year, for making transport improvements. London First said the proposals had the backing of three-quarters of its members, but it wanted to consult more widely. However, the London Chamber of Commerce said the plans were "wholly unacceptable" to the business community. It was unfair and "would amount to another tax on the capital". Charles Batchelor, London

## NATIONAL MINIMUM WAGE

## Delay urged to implementation

Britain's four main business organisations called yesterday for a three month delay in implementing the national minimum wage after the trade ministry published its guidance for employers just 18 days before it takes effect. The 112-page document was released on the internet to a chorus of disapproval from employers' organisations, which said it was far too complicated to be absorbed by managers before the regulations came into force on April 1. "There should be a moratorium of three months during which the regulations will not be enforced, so that businesses have time to assimilate them," said Ian Peters, deputy director general of the British Chambers of Commerce. "To issue guidance three weeks before the minimum wage is due to start is totally unacceptable, and it is ridiculous to expect employers to comply with new legislation of this kind without having time to get to grips with what is expected of them."

Stephen Alambritis, a senior official of the Federation of Small Businesses, said the it was essential that the minimum wage was handled correctly. "If that means putting it back by three months that might well be the best approach," he said. Ruth Lea, head of policy at the Institute of Directors, said businesses were still struggling to understand the working time regulations, which took effect last year. Kevin Brown, London



OBITUARY LORD DENNING, WHO HAS DIED AT THE AGE OF 100, BECAME AN ADVOCATE IN 1923

## The people's judge with a passion for fairness

Being driven around his native Hampshire one day by a neighbour, Lord Denning, former Master of the Rolls, who died yesterday at the age of 100, was admonished for not strapping himself in. "Lord Denning, you know it's the law," his driver complained. "I am the law," he replied with a characteristic chuckle. And for generations of lawyers and public alike he was.

Alfred Thompson (Tom) Denning was undoubtedly the best-known judge of the modern era, arguably the most distinguished Master of the Rolls (senior civil court judge) this century, and certainly the most courteous of judges.

Lord Denning was essentially a judge of the people.

He believed passionately in justice and refused to be bound by legal precedent if it stood in the way of fairness. His judgments were delivered with clarity, in short staccato sentences. Often without a main verb.

He left his mark on many branches of English law. He pioneered the equality of women in marriage. A deserted wife was not to be thrown out of the married home. In a series of judgments giving protection to the freedom of the individual when threatened by local or central government bureaucracy, he started to build the edifice of administrative law.

He opened up the remedy for negligent mis-statement, struck down exemption clauses in consumer con-

tracts and bolstered the position of the press.

But not all his views were progressive and enlightened. Towards the end of his 38 years on the bench his judicial utterances became less measured and out of touch.

Memorably, when dismissing a civil action brought by the Birmingham Six against the police for alleged assault when in custody, Lord Denning said: "If the six men win it will mean that the police were guilty of perjury, that they were guilty of violence and threats and that the confessions were involuntary... That would mean the home secretary would either have to recommend that they be pardoned, or he would have to remit the case to the Court of Appeal. This

is such an appalling vista that every sensible person in the land would say it cannot be right that these actions should go any further. They should be struck out."

Two years later a further utterance brought the end of his career. Although a staunch defender of trial by jury throughout his judicial career, he wrote in his third book *What Next in the Law?* that the system of challenging or objecting to jurors had been misused by the defence in a trial after a riot in an area of the west of England city of Bristol with a large black population to secure a black jury that would be sympathetic to black defendants. When the black jurors threatened to sue him for libel, Lord Den-

ning appeared genuinely confused by the furore he had caused. Within weeks he was persuaded to step down.

Tom Denning was born in January 1906, one of four sons of Charles Denning, the local draper. He was educated at Magdalen College, Oxford, where he took a first-class degree in mathematics and in jurisprudence. He was called to the Bar in 1923, becoming a King's Counsel in 1938. He was appointed to the High Court bench in 1944 and was promoted to the Court of Appeal four years later.

In 1957, he was appointed to the House of Lords. He is said to have found the work of the House of Lords undemanding and when the opportunity arose in 1962 to

return to the Court of Appeal as Master of the Rolls, he seized it.

Following his retirement in 1982 at the age of 83, Lord Denning earned a reputation as a "character" and found himself much in demand for his robust opinions. In 1986, he led an unsuccessful attempt in the House of Lords to stop the bill giving legal effect to the Single European Act.

He campaigned vigorously on local issues, returning to court in his eighties to fight for local causes. From time to time injudicious remarks landed him in more hot water. Remarks about the release of the Birmingham Six and the Guildford Four in a magazine interview in 1990 led to him being placed







MAN IN THE NEWS GEORGE W. BUSH

## Favourite son

Gerard Baker explains the appeal and the policies of George Dubble-er, governor of Texas and presidential front-runner

For almost two years, running for president has been a cakewalk for George W. Bush. Other Republicans have slogged forlornly around the rubber-chicken circuit in Ames, Iowa and Nashua, New Hampshire, while the governor of Texas has stood aloof, ostentatiously focusing on his job in Austin.

But this week, as his national ratings climbed ever higher, the passive phase of the famous son's campaign came to an end. Under a perfect spring sky, in the shadow of the pink granite Texas capitol, Mr Bush made the announcement his supporters had long been waiting for. With his wife looking on in suitably adoring pose, he told reporters he would form a "presidential exploratory committee," a peculiarly American legal ruse that enables candidates to begin preparations for a campaign without falling foul of spending rules.

Unless something unexpected happens in the next two months, Mr Bush will make it official probably some time in May or June - and he will become a candidate for his party's nomination for president in 2000.

With such an early start to a campaign for an election still 20 months away, the testing of George W. Bush now begins in earnest.

The 62-year-old former oilman and major league baseball franchise owner will face withering scrutiny for the first time. Much of the attention will focus on the

mysterious "Indiscretions" of Mr Bush's apparently energetic personal history. Every allegation of alcohol and narcotic consumption, not to mention former girlfriends and business connections, will be raked over with the kind of investigative zeal that only the American political establishment seems to have the stomach for.

But Mr Bush's electoral prospects may depend ultimately not on salacious details of drink and drugs (or lack of them), but on the more prosaic question of where he stands on taxes, trade and transport spending.

For, while the stealth campaign so far has succeeded in putting Mr Bush way ahead of Republicans and Democrats - a poll this week put him 11 percentage points ahead of vice-president Al Gore - the most important mystery about Mr Bush is what sort of Republican president he might be (assuming, of course, he surmounts the minor obstacles of nomination and election).

Much has been made of his espousal of "compassionate conservatism". Together with his unusually strong Republican appeal among

ethnic minority voters in Texas, it has been widely interpreted as an indication that Mr Bush is a moderate at heart.

Indeed, many conservatives fear that a second George Bush presidency would look like the first, a kind of watered-down, mushy betrayal of the conservative triumph of Ronald Reagan.

"We need more of that sort of compassionate conservatism like we need a hole in the head," says one caustic critic of the former president.

But, though it is still early days, indications are that this George Bush could prove rather different. He has spoken little about national political issues, but from what he has said - and even more clearly from the growing team of his policy advisers - he looks like a more robustly conservative Republican than his father.

One telling example: discussing last autumn the remarkable turnaround in the federal finances in the past five years, he disputed the claim that his father's decision to raise taxes in 1991 had played a pivotal role. "The main achievement of that budget was to cut

spending," he said. "I'm instinctively for small government, lower taxes."

Those instincts are shared by the chief of his economic policy team, Lawrence Lindsey, a sharp-minded Harvard economist and former Federal Reserve governor. Mr Lindsey wrote a book robustly defending the Reagan tax cuts against the common charge that they produced the enormous deficits of the late 1980s and early 1990s. And he argues that the remarkable success of the US economy now owes most to the reforms of the Reagan years, and little to policies since then.

On the central budget debate in Washington today - what to do with the large and growing fiscal surpluses projected in the next ten years - Mr Bush's advisers are indicating they may be more determined tax-cutters than even the congressional Republicans. This week Stephen Goldsmith, the respected mayor of Indianapolis and newly emerging head of Mr Bush's domestic policy group, called for immediate and substantial tax reductions. "We should refute the widely held belief that surplus taxes paid by American workers and busi-

nesses should be hoarded in Washington instead of being returned to those wage-earners and business owners who have been overcharged," he told the Joint Economic Committee of Congress.

On international economics too, Mr Bush may be inclined to take a more robust approach than either his father or President Clinton. He is a firm supporter of free trade, arguing that Texas has benefited greatly from the North American Free Trade agreement of 1993, and he warned last year against a dangerous "isolationism" in Congress.

But his advisers also strike a tone of scepticism about international institutions which they think have intervened in the operation of free markets. Both Mr Lindsey and Martin Feldstein, a former adviser to President Reagan and another member of Mr Bush's economics team, have been critical of the International Monetary Fund's role in the global financial crisis. And Mr Feldstein, to some the intellectual father-figure of much modern conservative economic thinking, has attacked Europe's single currency, warning that the eco-

nomie and social strains it could produce might even lead to war.

Elsewhere in foreign policy, the views of Mr Bush's advisers suggest a muscular approach. Among his foreign policy team are likely to be two prominent Reagan-era hawks: Paul Wolfowitz and Richard Perle, the latter once dubbed the "prince of darkness" for his cold-warrior stance.

So where does Mr Bush's "compassionate conservatism" lie? Principally in his rhetoric on social policy. Though he is firmly pro-life, he has indicated he would not favour attempts to legislate a constitutional amendment to ban abortion, as many on the Republican right want. He has criticised Republican leaders in Washington for their harsh rhetoric about women, homosexuals and ethnic minorities and has emphasised, in his own campaigning, that his ideological conservatism should not be seen as socially exclusive.

With 20 months to go to the presidential election, Mr Bush's policies are still a work in progress, and he will not, of course, follow his advisers on all matters. But the platform they are



building is becoming clearer - aggressively pro-market on domestic economic policy, a robust market-oriented international economic approach and a firm foreign and defence policy, all of it moderated by non-confrontational language and sentiments on

notoriously divisive social questions.

The Republican party has indeed been down this path before. But this George Bush looks increasingly like a cast from the Ronald Reagan mould than a chip off the George Bush block.

## Tele-evangelist as businessman

John Authers profiles the Bank of Scotland's new partner, Pat Robertson, conservative preacher and entrepreneur

At first it sounded like a hoax. Bank of Scotland, one of the oldest British banks - which even retains the privilege of printing Scottish bank notes - is to launch a direct bank in the US in partnership with Pat Robertson.

Mr Robertson is best known internationally for his failed bid for the Republican presidential nomination in 1988, backed by the party's ranks of conservative evangelical Christians. Famed for such feats as ordering Hurricane Gloria to divert its course away from his television station ("I felt that if I couldn't move a hurricane, I could hardly move a nation"), he seems an extraordinary partner for a staid British bank attempting to bring telephone banking to the US.

The fact that William Henry, the Bank of Scotland director who first discussed the deal with him, was a passionate supporter of Celtic, the Glasgow soccer club which represents Scotland's Catholic community, only adds to the sense of the bizarre. In the UK, Bank of Scotland had chosen J. Sainsbury, a supermarket chain, as a partner; it was hard to see the conservative firebrand as comparable.

But that would be to mistake Mr Robertson's career so far. The 62-year-old made his name as a politician and evangelist, but his greatest successes have been as a businessman. Most spectacu-

larly, he sold International Family Entertainment, the parent company of his US cable network, to Rupert Murdoch for \$1.9bn two years ago.

His business interests have stretched to include diamond mining, chemicals (where he started his career) and banking (he was a director of one of Virginia's larger banks during the 1980s). He is a director of Laura Ashley, the UK clothes retailer. And he has another vital passport for success in American business: a law degree from Yale.

Hence Mr Henry's enthusiasm. "Pat brings three things. He has entrepreneurial spirit. He has knowledge of banking. And we feel he has really good knowledge of where many Americans are looking for value and service products."

Mr Robertson dabbled in business before being ordained, working as a management trainee for W.R. Grace, the chemicals company. His career as a television evangelist has shown a strong grasp of marketing. He virtually invented television evangelism and has been its most successful exponent. His avuncular style has proved more durable than the histrionics of other television preachers, such as Jimmy Swaggart.

With a loan of \$37,000, he bought his first network, which he renamed the Christian Broadcasting Network (CBN), in 1961. It was the first station registered with



Pat Robertson: banking on success in an old role

the Federal Communications Commission to devote more than half of its broadcast time to religious programming. As a religious organisation, and technically a non-profit company, it benefited from a lenient tax regime.

To keep it afloat in the early years, Mr Robertson became the first tele-evangelist to offer toll-free numbers, encouraging viewers to identify themselves more closely with the network. Admittedly, the policy was revealed to have a downside in the 1980s when Mr Robertson's political opponents began telephoning his number round the clock, costing him as much money as possible.

CBN expanded its programming to include old Hollywood films, and popular nostalgic series such as The Waltons, leaving his flagship 700 Club as the only overtly Christian programme on the network (and even it is packaged like a conventional morning magazine programme, with news, opinions from Mr Robertson and general interest topics).

Later, the CBN empire broadened to include Family Channel (the ninth largest cable network in the US), a university, and Operation

Blessing, a relief agency. Mr Robertson has also dabbled in private interests, including diamond mining in Africa. This led to allegations that Operation Blessing aeroplanes, funded by donations, were being used for the benefit of Mr Robertson's mining interests - although he has always maintained he repaid Operation Blessing for their use.

The only problem was that all this activity became too profitable to sustain CBN's tax-exempt status. In 1990, International Family Entertainment, the entity subsequently sold to Rupert Murdoch, was formed to buy out the Family Channel from CBN. Mr Robertson and his family controlled the company, although CBN and Regent University also had significant stakes.

This collection of interests has certainly created powerful loyalty among viewers. And that may well be his decisive attraction. Although Bank of Scotland is not prepared to talk about its marketing plans until its direct banking venture has been cleared by US regulators, Mr Robertson offers arguably as strong and trusted a brand in the US as the Sainsbury supermarket chain does in the UK.

## KGB makes a comeback

The idea that spies can save democracy is Russia's latest delusion, says John Thornhill

Russia has come to a depressing pass when even well-meaning politicians start arguing that the best hope for democracy, law and order lies with the revamped KGB. But that is what is happening.

"In my opinion, it is better to be a KGB general than an IMF agent," wrote journalist Alexander Minkin in the Novaya newspaper recently. "You'd agree that when we talk about a KGB general there is a hope he will act in the interests of Russia. But there is not the slightest hope that the agents of the IMF will be concerned about our welfare."

The secret service seems to be playing a prime role in Boris Yeltsin's campaign to have Boris Berezovsky, the self-proclaimed oligarch and former minister, removed from his official post.

And the Communist party, the largest group in the Russian parliament, is even campaigning for the statue of "Iron" Felix Dzerzhinsky, the KGB's founder, to be returned to its pedestal in Moscow's Lubyanka Square from where it was rudely ripped during the "democratic revolution" of August 1991.

As friends of the new KGB argue, extreme times call for extreme measures.

There is certainly no better agent of extremism than the KGB. Founded just weeks after the Bolshevik putsch of 1917, the All-Russian Extraordinary Commission, or Cheka as it was first known, became the "sword and shield" of the revolution - and, in the words of one historian, "nearly drowned the fledgling Soviet Republic in the



Down but not out? The statue of KGB founder Felix Dzerzhinsky

blood of its people."

Over the next seven decades, the KGB emerged as a "state within a state". Russia's "Chekists" carried out Stalin's bloody purges, conducted mass deportations, persecuted dissidents and destabilised regimes abroad.

Yet in a perverse way, no Soviet organisation proved more effective than the KGB. Blessed with the best brains, training and resources, the KGB ran its operations with a ruthless efficiency evident in few other areas of Soviet life.

The appointment of Yevgeny Primakov as prime minister last September has given renewed prominence to Russia's secret services. Mr Primakov has been intimately connected with the KGB for most of his adult life.

As a journalist in the Middle East and then as a Moscow-based academician, Mr Primakov co-operated with the KGB under the codename "Maxim", even if - as he insists - he was never a fully signed-up officer. Mr Primakov went on to

head the external intelligence arm of the restructuring KGB in the early 1990s. (He is the second secret serviceman to lead his country: Yuri Andropov, head of the KGB, became Soviet leader in 1982.)

In time-honoured fashion, Mr Primakov has been surprisingly promoting many of his former colleagues to influential positions in the Russian government, the presidential administration, state-run industry and the media.

Mr Primakov's supporters argue the security services can restore the authority of the state, which has been hijacked by cynical business tycoons, and prevent the disintegration of the country.

One former KGB general argues that Mr Primakov is a "man of honour" who will use the security services to help revive the credibility of the state. "The hands of the security services cannot be longer than those of the government. The KGB did not dictate whether the country went forward or backward; that was up to a Stalin or Khrushchev," he says.

Such arguments have been echoed elsewhere by commentators who suggest the modern intelligence services - called the FSB (domestic intelligence) and SVR (the foreign branch) - are very different from the Soviet KGB. In his recent article, Mr Minkin claimed most of Russia's modern-day security officers had "graduated" in the Brezhnev era when ideology had given way to pragmatism. Such men, he claimed, were likely to be far more patriotic than the opportunist "young reformers" so beloved by the west.

But former victims of the KGB, such as Sergei Kovalyov, the human rights activist and MP, dismiss apologists for Russia's security services as dangerous fantasists threatening efforts to deepen democracy and establish the rule of law.

Mr Kovalyov argues it is wrong to talk about the "return" of the KGB: they never went away, he says. The KGB may have been renamed, but it has not been reformed. It is still dedicated to the principle of political expediency, which dictates that the presumed interests of the state will always trample over the rights of the individual.

"Names of organisations change but people do not change, nor do their methods of operation," argues Mr Kovalyov. "I think that the problems caused by the oligarchs can be solved by legal means. But when these struggles are carried out by illegal means then we are moving away from the sphere of strict observance of laws into the field of political manipulation. That is the road to a national tragedy, a national catastrophe."

When it came to dispensing death, members of the Interahamwe often revealed their rustic roots. They slaughtered their human victims as they had learned to dispatch animals: hamstringing were severed to prevent escape and then the throat was cut.

The casual brutality of the killing of tourists in Uganda's Bwindi National Park this week was a reminder that the Interahamwe of Africa's Great Lakes are a terrifying addition to the ranks of the 20th century's select killers, along with the Nazi party and the Khmer Rouge.

Almost certainly, they participated in slaughter on a scale that still leaves the mind reeling: the failed attempt in 1994, using that most basic of agricultural instruments, the machete, to turn the mixed state of Rwanda into a mono-ethnic country by eliminating nearly one million Tutsis and non-racist Hutus.

Hutu husbands killed their Tutsi wives; mothers executed children "taunted" with Tutsi blood. It was with Tutsi blood, it was unquestionably a frenzy that enveloped the whole country. But it was led and sanctified by the Interahamwe elite, whose militiamen still

lurk in the highlands of Uganda.

"It's important not to see these as desperate individuals acting out of context," says Rakiya Omar of African Rights, and a writer on the Rwandan genocide. "These are well-organised, well-armed people with clear political and military objectives." Their aim is the overthrow of the Tutsi-dominated government that ended the genocide and the re-establishment of Hutu power in Rwanda.

The term "Interahamwe" - now a clumsy label applied to the collection of former militiamen, exiled Rwandan soldiers and new recruits - was innocent enough when first coined. It referred to a system of communal labour in which young Rwandan men would join together in activities such as tree-clearing for the good of the community.

"Those who work together" came to acquire a more sinister meaning, however, when opposition parties with Hutu supremacist credos began forming militias in Rwanda in the early 1990s. Benefiting from French arms and training programmes, the militias, who were to end up numbering some 50,000, went into action when the killing of the (Hutu) president in an airline crash triggered a nationwide onslaught on the Tutsi minority blamed for his death.

"They took the two babies off the backs of their mothers and macheted them to death in front of us," recalled Josephine Mukandori, one survivor. "Then they macheted the other children to death. Clearly the plan was to kill us in groups."

If villagers proved reluctant to obey execution instructions issued by local officials, the Interahamwe were called in to do the dirty work. Recruited from the poor and illiterate, they seized the opportunity to redress social imbalances with alacrity.

The fall of the Hutu government spread the poison all over central Africa. The Tutsi counter-attack, which had been launched from

## Angels of death

The tourist murders by the Interahamwe are a stark reminder to Tutsi-controlled Rwanda that its Hutu population could turn on it at any moment, writes Michela Wrong

Uganda, sent over 2m Hutus fleeing into neighbouring countries. There, the Interahamwe and Rwandan army officers tightened their hold on Hutu refugees. In the teeming aid camps of what was then eastern Zaire, the killers lynched those who tried to leave, trained new recruits and plotted the reinvansion of Rwanda.

That ambition embroiled the Interahamwe in the civil war in Zaire (later renamed the Congo). The Rwandan government, in its determination to crush the Hutu militias of the refugee camps, intervened in eastern Zaire and the rebellion it fomented ended up toppling the late Mobutu Sese Seko in 1997.

As Laurent Kabila, the Congolese rebel leader, took power, Rwandan soldiers hunted the killers across the equatorial forests; the Interahamwe scattered across the continent, surfacing in Gabon, Congo-Brazzaville, Angola and Central African Republic as killers for hire by any local guerrilla group.

In Uganda this week, the Bwindi expedition fell foul of one of those complex shifts in alliances characteristic of this part of Africa. Increasingly suspicious of his Rwandan backers, Mr Kabila did not launch the anticipated crackdown on the Interahamwe. Indeed, he began cynically to start recruiting such men into his new army - a move that in July prompted Rwanda and Uganda to launch another military intervention, plunging Congo into its second war in two years.

In the chaos, extremists have been returning to the border region, teaming up there with former Mobutu soldiers, Congolese Mai-Mai militiamen and Moslem Tabliq rebels from Uganda to relaunch their insurgency.

Terrible as it was, what happened to the tourists pales in comparison with what the movement - now calling itself the Armed People for the Liberation of Rwanda - has done to the villagers of north-west Rwanda: massacres of schoolchildren, raids on refugee camps, grenade attacks

on popular drinking spots. All this is aimed at undermining Hutu-Tutsi relations, exposing the weaknesses of the Rwandan government's hold on power and taking advantage of the Congo conflict to increase the Interahamwe's power.

"They want to convince the international community that Uganda and Rwanda are not capable of protecting their own people, foreign visitors or eventual investors," says Ms Omar. "If they can't topple these regimes outright, they want to make



Warning signs: locals are aware of the dangers in Uganda's Bwindi National Park

sure they are included in any eventual settlement." With Rwanda now controlled by a feared Tutsi minority committed to ensuring that genocide never happens again, the Interahamwe's agenda is as central to the region's future as the Palestinian issue is to peace in the Middle East.

"For Uganda, this is a peripheral problem," says Gerard Prunier, an expert on Rwanda. "But for Rwanda's government the Interahamwe are the angels of death, a permanent

reminder on the border that their sullen Hutu population could turn on them at any moment."

It makes it worse that one of the central figures in the drama seems unwilling to recognise a problem. When Tony Lloyd, Britain's minister for Africa, visited Congo recently to discuss the war with Mr Kabila, talks were going well until he asked about collaboration with the Interahamwe. "Interahamwe" was the president's disingenuous response. "What Interahamwe?"



## COMMODITIES &amp; AGRICULTURE

## Fears over high supply of sugar

## WEEK IN THE MARKETS

By Paul Solomon

Sugar futures saw a sharp decline on the London International Financial Futures and Options Exchange, as the market reacted to reports of a large increase in supply from Brazil.

Benchmark May raw sugar on the Coffee, Sugar and Cocoa Exchange in New York hit a 10-year low of 5.5 cents a pound, while white sugar on the London International Financial Futures and Options Exchange dropped to its lowest for more than 11 years at \$20.2 a tonne.

The cheaper rice also shook coffee. Brazil is the world's largest coffee producer and prices proved volatile this week. Life's May contract dropped to a 16-month low of \$1.45 at one stage.

Life's cocoa futures fell to \$980 a tonne, their lowest since September 1993, on continuing signs that stocks were more than adequate to satisfy demand.

Meanwhile, Life's said volumes on its potato futures market jumped 76 per cent in February, attributing much of the rise to higher potato prices caused by bad weather in Europe.

Crude oil rallied above \$11.50 a barrel in London for the first time since early January as US surveys showed a drawdown in stocks.

The market also took heart from diplomatic activity between members of the Organisation of Petroleum Exporting Countries ahead

of the cartel's meeting later this month.

Brent blend for May delivery on the International Petroleum Exchange was \$11.67 in late trading yesterday, against last week's close of \$10.88.

On the London Metal Exchange, three-month zinc rose to \$1,064 a tonne, a level not seen for six months. However, analysts cautioned that it was unlikely to remain strong while other base metals were weak. Zinc closed yesterday at \$1,049.

Copper dropped to a new 12-year low of \$1,375 a tonne after stocks rose to record levels, though the metal managed a modest turnaround to end the week just above \$1,400. Aluminium also fell after Biliton said it was making money at current prices.

## BASE METALS

LONDON METAL EXCHANGE  
(Prices from Automated Metal Trading)

IN ALUMINIUM, 50% FINE (per tonne)

	Settle	High	Low	Open
Close	1180.5-5.5	1181-15		
Previous	1181.5-5.5	1173-14		
High/Low	1180.5-5.5	1181.5-5.5		
AM Official	1180.5-5.5	1181.5-5.5		
Open int.	286,860			
Total daily turnover	92,289			

IN ALUMINIUM ALLOY (50% fine)

	Settle	High	Low	Open
Close	1012-17	1013-30		
Previous	1012-17	1013-30		
High/Low	1012-17	1013-30		
AM Official	1012-17	1013-30		
Open int.	8,851			
Total daily turnover	1,582			

IN LEAD (50% fine)

	Settle	High	Low	Open
Close	512-3	512-3		
Previous	512-3	512-3		
High/Low	512-3	512-3		
AM Official	512-3	512-3		
Open int.	37,782			
Total daily turnover	12,634			

IN NICKEL (50% fine)

	Settle	High	Low	Open
Close	4925-35	4930-35		
Previous	4925-35	4930-35		
High/Low	4925-35	4930-35		
AM Official	4925-35	4930-35		
Open int.	74,472			
Total daily turnover	18,732			

IN TIN (50% fine)

	Settle	High	Low	Open
Close	5920-70	5920-70		
Previous	5920-70	5920-70		
High/Low	5920-70	5920-70		
AM Official	5920-70	5920-70		
Open int.	13,796			
Total daily turnover	3,575			

IN ZINC, SPECIAL HIGH GRADE (50% fine)

	Settle	High	Low	Open
Close	1046.5-5.5	1046-5		
Previous	1046.5-5.5	1046-5		
High/Low	1046.5-5.5	1046-5		
AM Official	1046.5-5.5	1046-5		
Open int.	100,107			
Total daily turnover	15,477			

IN COPPER, GRADE A (50% fine)

	Settle	High	Low	Open
Close	1385.5-5.5	1412-3		
Previous	1382-3	1412-3		
High/Low	1382-3	1412-3		
AM Official	1382-3	1412-3		
Open int.	173,796			
Total daily turnover	35,775			

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## Precious Metals continued

## IN GOLD COMEX (100 Troy oz. Silver)

	Settle	High	Low	Open
Close	288.5	291.1	288.5	291.1
Previous	288.5	291.1	288.5	291.1
High/Low	288.5	291.1	288.5	291.1
AM Official	288.5	291.1	288.5	291.1
Open int.	297.1			
Total daily turnover	34,581			

IN PLATINUM COMEX (50 Troy oz. Silver)

	Settle	High	Low	Open
Close	377.2	377.5	377.0	377.5
Previous	377.2	377.5	377.0	377.5
High/Low	377.2	377.5	377.0	377.5
AM Official	377.2	377.5	377.0	377.5
Open int.	377.2			
Total daily turnover	1,582			

IN PALLADIUM COMEX (100 Troy oz. Silver)

	Settle	High	Low	Open
Close	347.0	347.0	347.0	347.0
Previous	347.0	347.0	347.0	347.0
High/Low	347.0	347.0	347.0	347.0
AM Official	347.0	347.0	347.0	347.0
Open int.	347.0			
Total daily turnover	1,582			

IN SILVER COMEX (100 Troy oz. Silver)

	Settle	High	Low	Open
Close	521.3	521.3	521.3	521.3
Previous	521.3	521.3	521.3	521.3
High/Low	521.3	521.3	521.3	521.3
AM Official	521.3	521.3	521.3	521.3
Open int.	521.3			
Total daily turnover	1,582			

IN ENERGY

	Settle	High	Low	Open
Close	13.25	13.25	13.25	13.25
Previous	13.25	13.25	13.25	13.25
High/Low	13.25	13.25	13.25	13.25
AM Official	13.25	13.25	13.25	13.25
Open int.	13.25			
Total daily turnover	1,582			

IN CRUDE OIL WYOMEX (1,000 barrels, Shreveport)

	Settle	High	Low	Open
Close	11.51	11.51	11.51	11.51
Previous	11.51	11.51	11.51	11.51
High/Low	11.51	11.51	11.51	11.51
AM Official	11.51	11.51	11.51	11.51
Open int.	11.51			
Total daily turnover	1,582			

IN CRUDE OIL WYOMEX (1,000 barrels, Shreveport)

	Settle	High	Low	Open
Close	11.51	11.51	11.51	11.51
Previous	11.51	11.51	11.51	11.51
High/Low	11.51	11.51	11.51	11.51
AM Official	11.51	11.51	11.51	11.51
Open int.	11.51			
Total daily turnover	1,582			

IN CRUDE OIL WYOMEX (1,000 barrels, Shreveport)

	Settle	High	Low	Open
Close	11.51	11.51	11.51	11.51
Previous	11.51	11.51	11.51	11.51
High/Low	11.51	11.51	11.51	11.51
AM Official	11.51	11.51	11.51	11.51
Open int.	11.51			
Total daily turnover	1,582			

IN CRUDE OIL WYOMEX (1,000 barrels, Shreveport)

	Settle	High	Low	Open
Close	11.51	11.51	11.51	11.51
Previous	11.51	11.51	11.51	11.51
High/Low	11.51	11.51	11.51	11.51
AM Official	11.51	11.51	11.51	11.51
Open int.	11.51			
Total daily turnover	1,582			

IN CRUDE OIL WYOMEX (1,000 barrels, Shreveport)

	Settle	High	Low	Open
Close	11.51	11.51	11.51	11.51
Previous	11.51	11.51	11.51	11.51
High/Low	11.51	11.51	11.51	11.51
AM Official	11.51	11.51	11.51	11.51
Open int.	11.51			
Total daily turnover	1,582			

IN CRUDE OIL WYOMEX (1,000 barrels, Shreveport)

	Settle	High	Low	Open
Close	11.51	11.51	11.51	11.51
Previous	11.51	11.51	11.51	11.51
High/Low	11.51	11.51	11.51	11.51
AM Official	11.51	11.51	11.51	11.51
Open int.	11.51			
Total daily turnover	1,582			

IN CRUDE OIL WYOMEX (1,000 barrels, Shreveport)

	Settle	High	Low	Open
Close	11.51	11.51	11.51	11.51
Previous	11.51	11.51	11.51	11.51
High/Low	11.51	11.51	11.51	11.51
AM Official	11.51	11.51	11.51	11.51
Open int.	11.51			
Total daily turnover	1,582			

IN CRUDE OIL WYOMEX (1,000 barrels, Shreveport)

	Settle	High	Low	Open
Close	11.51	11.51	1	



## Dollar bounces

## MARKETS REPORT

By Alan Beattie

The dollar bounced yesterday as payroll and earnings data reassured traders that the US was not suffering from an inflationary boom which might create asset market instability. Employment continued to rise in February, according to the key US non-farm payroll data, but a slight rise in unemployment and subdued hourly earnings growth provided comfort to the market.

There was an initial sell-off of the dollar against the yen, sterling and the euro on the news. But the dollar later recovered to close up against the other large currencies at the end of London trading.

The futures market also revised down its view of the level of US interest rates in the medium term. Interest rate expectations by the end of 2000 as implied by the international dollar markets fell by up to 18 basis points yesterday, with the market now pricing in only a small rise in the next four months.

David Bloom, currency strategist at HSBC in London, said that the market had focused on the earnings number, which had given it comfort that US economy could continue to grow without sparking inflation. "The market must be thinking that we are moving from the Goldilocks economy to the New Jerusalem," he said.

And he added that much stronger growth could actually cause a fall in the US currency. "If strong growth pushes up bond yields such that the stock market starts going sideways, how can the US feed its current account deficit?" he asked.

But Mr Bloom said there was no immediate sign of the bubble bursting. "Standing in front of the dollar at the moment is like standing in the main street in Pamplona at festival time when the bulls start running," he added.

The bloodied euro limped towards the end of another grim week yesterday, falling below the \$1.08 level against the resurgent dollar.

Comments by the European Central Bank promising increased liquidity at the very short end of the money market may have given the euro a further shove down, analysts said.

Wim Duisenberg said on Thursday after the ECB meeting that steps would be taken to prevent oversubscription at the weekly refinancing tender.

Analysts said the ECB would seek to guide down the EONIA overnight interest rate towards the key refinancing rate, which is currently at 3 per cent.

"This is the ECB telling Euroland that it will be splashing around in liquidity throughout March," said Alison Cottrell, chief international economist at Paine Webber in London.

Mr Cottrell added that the ECB was probably quite content with the weakness of the euro at the moment. "Since lower interest rates are inappropriate for most countries in the euro-zone, falls in the currency are the nearest thing the ECB can get to a free lunch," he said.

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Mar 5	Closing mid-point	Change on day	Broker spread	Days' bid low	Days' ask high	One month %PA	Three months %PA	One year %PA	12 Month %PA
Europe	12.6218	-0.0251	800 - 835	12.7528	12.6204	1.8	12.6219	1.9	12.6205
Australia	37.1780	-0.0738	728 - 831	37.2680	37.1212	1.8	37.0023	1.8	36.3787
Canada	6.8480	-0.0195	455 - 504	6.8675	6.8285	1.5	6.8212	1.8	6.7725
France	5.4730	-0.0102	785 - 854	5.5104	5.4356	1.8	5.4352	1.8	5.3817
Germany	6.0540	-0.0120	446 - 482	6.0793	6.0287	1.8	6.0168	1.9	5.9151
Italy	1.8005	-0.0025	323 - 328	1.8138	1.7869	1.8	1.7941	1.9	1.7637
Japan	256.335	-0.7550	470 - 540	257.075	255.595	-5.3	259.93	-4.8	257.005
South Korea	12.2770	-0.0027	775 - 778	12.2795	12.2745	-1.9	12.2843	-1.9	12.2843
Spain	17.0450	-0.3400	425 - 475	17.3850	16.7050	1.8	17.0767	1.9	16.7550
Sweden	37.1780	-0.0738	728 - 831	37.2680	37.1212	1.8	37.0023	1.8	36.3787
Switzerland	2.0310	-0.0040	307 - 313	2.0350	2.0270	1.8	2.0213	1.9	1.9972
Taiwan	7.5035	-0.0423	505 - 555	7.5450	7.4620	-2.5	7.544	-2.5	7.5255
UK	1.0478	-0.0080	742 - 793	1.0558	1.0400	1.8	1.0365	1.8	1.0278
US	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000
Other	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000

## EURO SPOT FORWARD AGAINST THE EURO

Mar 5	Closing mid-point	Change on day	Broker spread	Days' bid low	Days' ask high	One month %PA	Three months %PA	One year %PA	12 Month %PA
Europe	12.6218	-0.0251	800 - 835	12.7528	12.6204	1.8	12.6219	1.9	12.6205
Australia	37.1780	-0.0738	728 - 831	37.2680	37.1212	1.8	37.0023	1.8	36.3787
Canada	6.8480	-0.0195	455 - 504	6.8675	6.8285	1.5	6.8212	1.8	6.7725
France	5.4730	-0.0102	785 - 854	5.5104	5.4356	1.8	5.4352	1.8	5.3817
Germany	6.0540	-0.0120	446 - 482	6.0793	6.0287	1.8	6.0168	1.9	5.9151
Italy	1.8005	-0.0025	323 - 328	1.8138	1.7869	1.8	1.7941	1.9	1.7637
Japan	256.335	-0.7550	470 - 540	257.075	255.595	-5.3	259.93	-4.8	257.005
South Korea	12.2770	-0.0027	775 - 778	12.2795	12.2745	-1.9	12.2843	-1.9	12.2843
Spain	17.0450	-0.3400	425 - 475	17.3850	16.7050	1.8	17.0767	1.9	16.7550
Sweden	37.1780	-0.0738	728 - 831	37.2680	37.1212	1.8	37.0023	1.8	36.3787
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Taiwan	7.5035	-0.0423	505 - 555	7.5450	7.4620	-2.5	7.544	-2.5	7.5255
UK	1.0478	-0.0080	742 - 793	1.0558	1.0400	1.8	1.0365	1.8	1.0278
US	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000
Other	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Mar 5	Closing mid-point	Change on day	Broker spread	Days' bid low	Days' ask high	One month %PA	Three months %PA	One year %PA	12 Month %PA
Europe	12.6218	-0.0251	800 - 835	12.7528	12.6204	1.8	12.6219	1.9	12.6205
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US	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000
Other	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000

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US	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000
Other	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000

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Mar 5	Closing mid-point	Change on day	Broker spread	Days' bid low	Days' ask high	One month %PA	Three months %PA	One year %PA	12 Month %PA
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Germany	6.0540	-0.0120	446 - 482	6.0793	6.0287	1.8	6.0168	1.9	5.9151
Italy	1.8005	-0.0025	323 - 328	1.8138	1.7869	1.8	1.7941	1.9	1.7637
Japan	256.335	-0.7550	470 - 540	257.075	255.595	-5.3	259.93	-4.8	257.005
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Switzerland	2.0310	-0.0040	307 - 313	2.0350	2.0270	1.8	2.0213	1.9	1.9972
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UK	1.0478	-0.0080	742 - 793	1.0558	1.0400	1.8	1.0365	1.8	1.0278
US	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000
Other	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000

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Canada	6.8480	-0.0195	455 - 504	6.8675	6.8285	1.5	6.8212	1.8	6.7725
France	5.4730	-0.0102	785 - 854	5.5104	5.4356	1.8	5.4352	1.8	5.3817
Germany	6.0540	-0.0120	446 - 482	6.0793	6.0287	1.8	6.0168	1.9	5.9151
Italy	1.8005	-0.0025	323 - 328	1.8138	1.7869	1.8	1.7941	1.9	1.7637
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US	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000
Other	1.0000	0.0000	0.0000	1.0000	1.0000	0.0	1.0000	0.0	1.0000

## WORLD INTEREST RATES

MONEY RATES									
Mar 5	Over night	One month	Three months	Six months	One year	Long- term	Dis. rate	Repo rate	
Euro-zone	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	-	3.00	3.00	-
Switzerland	1 1/4	1 1/4	1 1/4	1 1/4	1 1/4	-	1.00	-	-
US	5 3/4	5 1/2	5	5 1/2	5 1/2	-	4.50	-	-
Japan	5 1/2	5	5	5	5	-	0.50	-	-
W 3 LIBOR BBA London									
Swiss Franc	-	4 1/2	5 1/4	5 1/4	5 1/2	-	-	-	-
US Dollar Cdn	-	4.71	4.80	4.87	5.11	-	-	-	-
Euro United Ks	-	3 1/2	3 1/4	3 1/4	3 1/2	-	-	-	-
SDR United Ks	-	3 1/2	3 1/4	3 1/4	3 1/2	-	-	-	-
BBA Euro Liber	-	3 1/2	3 1/4	3 1/4	3 1/2	-	-	-	-
Euro Eurobor	-	3.169	3.170	3.052	3.130	-	-	-	-
EDRIA	3.64	-	-	-	-	-	-	-	-
EURIBOR	3.0410	-	-	-	-	-	-	-	-
Interest: Floating									
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## DATABANK



## UNIT TRUSTS

## Winners and losers

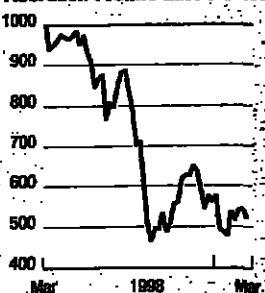
## TOP FIVE OVER 1 YEAR:

Fidelity American	1,796
Baring German Growth	1,624
Aberdeen Profit Growth	1,265
Franklin American Growth	1,225
TU European	1,222

## BOTTOM FIVE OVER 1 YEAR:

Scott Widows Latin America	467
Perpetual Latin America Gth	479
Edinburgh Latin America A	486
AB Govett Latin America	503
Aberdeen Profit Growth	524

## Aberdeen Profit Growth



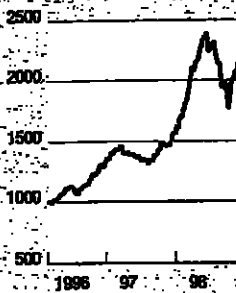
## TOP FIVE OVER 3 YEARS:

Fidelity American	2,805
TU European	2,335
Jupiter UK Growth Exempt	2,270
Invesco European Growth	2,192
Baring German Growth	2,095

## BOTTOM FIVE OVER 3 YEARS:

Old Mutual Thailand Acc	226
Save & Prosper Gold & Exptn	244
Lazard Pacific Growth	272
M&G Gold	380
Gartmore Gold & Int'l Resources	385

## Jupiter UK Growth Exempt



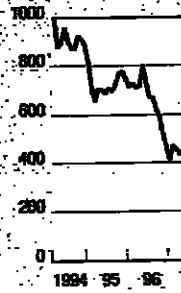
## TOP FIVE OVER 5 YEARS:

Fidelity American	3,482
SA North America Growth	3,394
Aberdeen Profit Growth	3,261
Invesco European Growth	3,051
Edinburgh North America A	3,003

## BOTTOM FIVE OVER 5 YEARS:

Old Mutual Thailand Acc	281
Save & Prosper Gold & Exptn	330
Save & Prosper Korea	351
Edinburgh Latin America A	352
Schroder Seed	369

## Save &amp; Prosper Korea



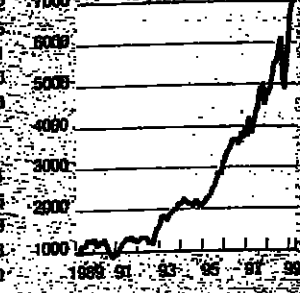
## TOP FIVE OVER 10 YEARS:

Aberdeen Profit Growth	6,555
SA North America Growth	6,515
Fidelity American	7,781
Edinburgh North America A	7,700
Edinburgh North America A	7,698

## BOTTOM FIVE OVER 10 YEARS:

Banque Japon	441
M&G Japan Acc	415
Invesco Japan Growth	468
HSBC Japan Index	498
Henderson Japan	520

## Edinburgh North America A



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warnings: past performance is not a guide to future performance.

## Indices

Average Unit Trust	853	1255	1458	2744	4.4	2.4
Average Investment Trust	867	1361	1493	2839	6.2	4.5
Bank	1043	1121	1208	1736	0.0	5.7
Building Society	1041	1113	1201	1737	0.0	5.4
Stockmarket: FTSE All-Share	1054	1636	1864	3615	2.76	3.96
Inflation	1024	1088	1156	1472	0.3	-

## UK Growth

Jupiter UK Growth Exempt	1217	2270	-	-	4.8	0.8
Exeter Capital Growth	948	1889	1877	-	8.7	-
Lloyds TSB Environmental Inv	1074	1805	2014	-	3.9	0.7
Johnson Fry Sister Growth	864	1778	2063	3990	-	-
Marika & Spencer UK 100 Cos Acc	1667	1781	-	-	4.0	1.2
SECTOR AVERAGE	984	1456	1676	2663	3.9	1.4

## UK Growth &amp; Income

Fleming Select UK Income	1042	1764	2111	3018	3.8	2.9
Fidelity Moneybuilder Index	1067	1748	-	-	4.1	2.1
Laurence Kean Income & Growth	1030	1744	1944	-	3.7	2.9
Direct Line FTSE 100 Tracker	1069	1730	-	-	3.8	2.2
River & Mercantile Top 100	1063	1723	-	-	3.9	2.3
SECTOR AVERAGE	1002	1505	1740	2854	3.7	2.0

## UK Smaller Companies

INVESTCO UK Small Co's Acc (GT)	1162	1760	1808	-	4.3	2.2
Henderson Exempt Cynnet	1059	1886	1704	-	4.4	1.8
Gartmore UK Smaller Co Inc	856	1532	1947	2299	5.1	0.1
BWD UK Smaller Co's	947	1501	1716	-	5.3	0.7
Laurence Keen Smaller Cos	972	1482	2097	-	4.4	1.5
SECTOR AVERAGE	917	1190	1340	1910	4.5	1.6

## UK Equity Income

BWD UK Equity Income	1033	1716	2050	3373	3.4	3.2
Jupiter Income	1067	1701	2449	5321	3.3	3.2
Fidelity Income Plus	1022	1674	1804	2440	3.4	3.8
NPI Global Care Income Inc Ret	1102	1645	-	-	3.2	2.9
Premier Dividend	1012	1642	1940	2071	3.6	3.8
SECTOR AVERAGE	978	1459	1648	2719	3.5	3.7

## UK Equity &amp; Bond Income

Edinburgh UK Income A	1029	1542	1682	2190	3.0	3.3
Abbey National Extra Income	1020	1528	1640	2280	2.5	4.1
CIS UK Income	985	1518	1712	-	2.9	3.2
Jupiter High Income	1022	1517	-	-	3.2	4.0
Fidelity High Income	1053	1501	1484	-	1.9	4.4
SECTOR AVERAGE	984	1389	1510	2348	2.6	4.7

## UK Eq &amp; Bd

Perpetual High Income	971	1552	1907	4506	3.9	3.2
NPI Extra Income Ret	1059	1511	1804	-	3.0	1.6
Canlife Income Dis	892	1492	1721	2616	3.2	2.6
Newton Distributor	892	1496	1696	-	3.7	1.9
Lloyds TSB Extra Income	952	1474	1622	2645	3.2	3.5
SECTOR AVERAGE	887	1452	1655	3037	3.2	2.6

## UK Fixed Interest

<b>UK Fixed Interest</b>
CSU PPT Preference
Morgan Gren MP Annuity Conv
Aberdeen Prolific Stg Bond
CSU PPT Monthly Income Plus
Henderson Preference & Bond
<b>SECTOR AVERAGE</b>

## UK Gilf

Fleming Select Long-dated Gilf	1159	1692	-	-	2.2	5.2
Fidelity Institutional Lg Gilf	1269	1649	-	-	2.1	5.2
Mercury Long-Dated Bond	1123	1518	1541	-	2.0	3.1
M&G Gilf & Fixed Interest	1130	1463	1543	2342	1.5	4.1
Fleming Select UK Index Linked	1171	1450	-	-	1.3	2.0
SECTOR AVERAGE	1104	1326	1370	2177	1.3	4.6

## Far East exc Japan

Friends Prov Australian	982	1076	1251	2858	5.2	-
HSBC Hong Kong Growth	763	881	1013	3637	9.7	2.3
Fidelity South East Asia	917	778	905	3125	9.0	1.3
Henry Cooke LG East Enterprise	700	746	814	-	9.7	0.7
Henderson Asian Enterprise	924	737	778	-	6.8	1.1
SECTOR AVERAGE	817	554	597	1891	8.8	1.2

## Far East inc Japan

Jupiter Far Eastern	1054	910	834	1808	7.9	-
Save & Prosper Far East Sm Cos	972	796	631	-	6.0	0.0
Dresdner RCM Oriental Income	967	759	727	1556	6.4	2.7
Smith & Williamson Far East	889	727	676	-	5.9	0.3
Royal & SunAll Far East	949	711	788	1049	6.1	1.1
SECTOR AVERAGE	859	626	638	1332	6.6	0.9

## Japan

Baillie Gifford Japanese	1025	888	847	1188	5.9	-
Murray Japan Growth	1091	872	864	-	5.8	-
INVESTCO Japan Growth (GT)	978	871	870	1033	3.4	-
Newton Japan	917	843	795	916	6.2	-
Baillie Gifford Japan Sm Cos	1147	842	788	-	6.8	-
SECTOR AVERAGE	946	837	799	769	6.4	0.4

## Europe

TU European	1322	2335	2915	-	4.8	1.3
INVESTCO European Growth	1298	2192	3051	5856	6.8	-
Baring German Growth	1324	2085	2980	-	6.2	0.5
Newton European	1199	1999	2658	4703	5.8	0.6
Gartmore European Set Opps	1150	1874	2759	5427	6.0	-
SECTOR AVERAGE	1054	1580	1886	3904	5.5	0.6

## Global Emerging Mkts

Global Emerging						
Hill Samuel Global Emrg M	688	744	-	-	7.7	-
Stewart Emrg Emerging Mar	665	741	661	-	8.1	1.2
Gartmore PS Emerging Mar	711	713	474	-	8.1	1.0
Marlborough HI Global Em	780	694	-	-	6.8	-
Save & Prosper Emerging M	685	693	579	-	8.4	1.0
SECTOR AVERAGE	688	632	527	1565	8.0	1.4

## International Equity Income

INVESTCO International Income	1087	1580	1675	3908	3.5	3.2
Premier Global 100	1142	1498	1662	1985	4.3	-
Mayflower Global Income	986	1363	1577	2749	3.4	2.2
M&G International Income	972	1281	1458	3036	3.6	4.0
SECTOR AVERAGE	1041	1426	1648	2514	3.7	3.0

## International Fixed Interest

Marlborough Managed	1055	1255	1411	2527	1.5	2.9
Newton International Bond	1048	1236	1296	-	1.7	4.0
AES Intl Bond & Convertible	1024	1217	1246	-	1.1	5.3
Barclays BGI Intl Fx Interest	1048	1215	1302	-	1.8	4.1
Baring Global Bond	1007	1182	1339	-	1.3	4.8
SECTOR AVERAGE	1032	1050	1146	1912	1.7	4.5

## International Equity &amp; Bond

Fleming General Opportunities	1072	1496	1625	-	2.6	2.9
Bank of Ireland Ex Mgd Growth	1048	1445	1757	3656	3.7	1.8
MT General	1086	1435	-	-	3.9	3.2
GA Income Portfolio	1029	1417	1503	-	3.7	2.5
Gartmore PS Medium Term Balan	1109	1382	1539	2703	2.2	2.2
SECTOR AVERAGE	1037	1284	1414	2908	3.0	2.2

## International Growth

Fidelity Managed International	1310	1820	2206	4469	5.5	0.4
Gartmore Global Utilities Inc	1230	1764	1986	-	4.6	1.0
Scott Equitable Technology	1306	1732	2433	6448	6.5	-
Fidelity International PEP	1163	1706	2105	-	4.3	0.8
Franklin Financial	947	1554	2151	5519	5.3	0.4
SECTOR AVERAGE	975	1220	1439	2839	5.1	1.0



## INVESTMENT TRUSTS

## Winners and losers

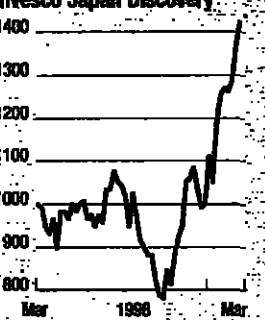
## TOP FIVE OVER 1 YEAR:

Invesco Japan Discovery	1,624
Aberdeen Preferred Income	1,343
Jupiter Primadona Growth	1,312
M&G High Income Inc	1,279
Gartmore Smaller Companies	1,276

## BOTTOM FIVE OVER 1 YEAR:

First Russian Frontiers	224
Foreign & Col Em Markets	441
Aberdeen Latin American	458
Edinburgh Inca	467
Fleming Chinese	495

## Invesco Japan Discovery



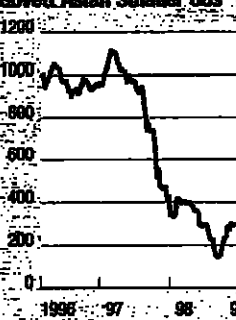
## TOP FIVE OVER 3 YEARS:

Foreign & Col Enterprises	3,241
Jupiter Primadona Growth	2,894
Aberdeen High Income	2,277
Fleming American	2,148
Henderson EuroTrust Units	2,036

## BOTTOM FIVE OVER 3 YEARS:

Edinburgh Inca	183
Shah Selective Growth	222
East German	224
Scottish Asian Smaller Dis	281
Aberdeen New Trust	289

## Gartmore Asian Smaller Cos





**FT MANAGED FUNDS SERVICE**

**ABN AMRO Fund Managers Ltd**  
82 Bishopsgate, London EC2N 3DL

**AJB Govett Unit Trusts Limited**  
 Shareholders House, 4 Buxtonbridge Lane,  
 0171-370 7679

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Operating Income	10,322	10,000	10,000
Income Tax Expense	(1,000)	(1,000)	(1,000)
Minority Interest	(1,000)	(1,000)	(1,000)
Net Income	8,322	8,000	8,000
Preferred Dividend	(1,000)	(1,000)	(1,000)
Common Dividend	(1,000)	(1,000)	(1,000)
Retained Earnings	6,322	6,000	6,000
Capital Gains	1,000	1,000	1,000
Losses	(1,000)	(1,000)	(1,000)
Net Assets	10,322	10,000	10,000
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
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Equity	10,322	10,000	10,000
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Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
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Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
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Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
Debt	(1,000)	(1,000)	(1,000)
Assets	11,322	11,000	11,000
Liabilities	(1,000)	(1,000)	(1,000)
Equity	10,322	10,000	10,000
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177.77	184.39	+6.62	0.22
18.58	208.25	+22.67	1.15
18.58	208.25	+22.67	1.15
155.99	158.25	+2.26	0.35
111.52	154.20	+42.68	2.94
84.84	132.25	+47.41	3.26
201.04	217.10	+16.06	0.75
391.28	391.38	+0.10	0.00
391.28	391.38	+0.10	0.00
150.45	150.72	+0.27	0.04
150.45	150.72	+0.27	0.04
150.45	150.72	+0.27	0.04
101.85	101.72	-0.13	0.04
-0.51	-0.52	-0.01	0.04
50.19	52.47	+2.28	1.05
265.70	274.08	+8.37	3.32
252.75	264.32	+11.57	4.52

**Treatment of manager's portfolio**  
The letter C denotes that the trust decides if the manager's/manager's portfolio is capital, collect the manager's/manager for the effect of this income of sales.

**Exit strategies:** The letter C denotes that the manager's/manager for all details.

**Notes:** The time shows alongside the manager's/manager's name is the time of the manager's/manager's selection point unless noted by the symbol alongside the manager's/manager's name.

**Reprints:** The most recent and key features discussed charge back fund managers

**Other supplementary notes on the last column of the FT 100**

**Accumulation of Unit Trust Funds,**  
33 Abingdon,  
London, WC2N 8TB.  
Tel: 0171-821-8000.

The latest prices published  
available at the Financial Times  
<http://www.ft.com>

signed to  
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 and Investment  
 able children are also  
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The above market prices shown below are only an indication of value. Shares traded on OTC should be considered high risk investments. Private investors must deal through a stockbroker which is regulated by the Securities and Futures Authority.

Company	Mid	Day's	Market	1999	2000	Company	Mid	Day's	Market	1999	2000
1. ABB	1.00	1.00	1.00	1.00	1.00	1. ABB	1.00	1.00	1.00	1.00	1.00
2. ABB	1.00	1.00	1.00	1.00	1.00	2. ABB	1.00	1.00	1.00	1.00	1.00
3. ABB	1.00	1.00	1.00	1.00	1.00	3. ABB	1.00	1.00	1.00	1.00	1.00
4. ABB	1.00	1.00	1.00	1.00	1.00	4. ABB	1.00	1.00	1.00	1.00	1.00
5. ABB	1.00	1.00	1.00	1.00	1.00	5. ABB	1.00	1.00	1.00	1.00	1.00
6. ABB	1.00	1.00	1.00	1.00	1.00	6. ABB	1.00	1.00	1.00	1.00	1.00
7. ABB	1.00	1.00	1.00	1.00	1.00	7. ABB	1.00	1.00	1.00	1.00	1.00
8. ABB	1.00	1.00	1.00	1.00	1.00	8. ABB	1.00	1.00	1.00	1.00	1.00
9. ABB	1.00	1.00	1.00	1.00	1.00	9. ABB	1.00	1.00	1.00	1.00	1.00
10. ABB	1.00	1.00	1.00	1.00	1.00	10. ABB	1.00	1.00	1.00	1.00	1.00
11. ABB	1.00	1.00	1.00	1.00	1.00	11. ABB	1.00	1.00	1.00	1.00	1.00
12. ABB	1.00	1.00	1.00	1.00	1.00	12. ABB	1.00	1.00	1.00	1.00	1.00
13. ABB	1.00	1.00	1.00	1.00	1.00	13. ABB	1.00	1.00	1.00	1.00	1.00
14. ABB	1.00	1.00	1.00	1.00	1.00	14. ABB	1.00	1.00	1.00	1.00	1.00
15. ABB	1.00	1.00	1.00	1.00	1.00	15. ABB	1.00	1.00	1.00	1.00	1.00
16. ABB	1.00	1.00	1.00	1.00	1.00	16. ABB	1.00	1.00	1.00	1.00	1.00
17. ABB	1.00	1.00	1.00	1.00	1.00	17. ABB	1.00	1.00	1.00	1.00	1.00
18. ABB	1.00	1.00	1.00	1.00	1.00	18. ABB	1.00	1.00	1.00	1.00	1.00
19. ABB	1.00	1.00	1.00	1.00	1.00	19. ABB	1.00	1.00	1.00	1.00	1.00
20. ABB	1.00	1.00	1.00	1.00	1.00	20. ABB	1.00	1.00	1.00	1.00	1.00
21. ABB	1.00	1.00	1.00	1.00	1.00	21. ABB	1.00	1.00	1.00	1.00	1.00
22. ABB	1.00	1.00	1.00	1.00	1.00	22. ABB	1.00	1.00	1.00	1.00	1.00
23. ABB	1.00	1.00	1.00	1.00	1.00	23. ABB	1.00	1.00	1.00	1.00	1.00
24. ABB	1.00	1.00	1.00	1.00	1.00	24. ABB	1.00	1.00	1.00	1.00	1.00
25. ABB	1.00	1.00	1.00	1.00	1.00	25. ABB	1.00	1.00	1.00	1.00	1.00
26. ABB	1.00	1.00	1.00	1.00	1.00	26. ABB	1.00	1.00	1.00	1.00	1.00
27. ABB	1.00	1.00	1.00	1.00	1.00	27. ABB	1.00	1.00	1.00	1.00	1.00
28. ABB	1.00	1.00	1.00	1.00	1.00	28. ABB	1.00	1.00	1.00	1.00	1.00
29. ABB	1.00	1.00	1.00	1.00	1.00	29. ABB	1.00	1.00	1.00	1.00	1.00
30. ABB	1.00	1.00	1.00	1.00	1.00	30. ABB	1.00	1.00	1.00	1.00	1.00
31. ABB	1.00	1.00	1.00	1.00	1.00	31. ABB					

African Catalyst Inc	2	230	23	2	65	5.94	70	65
African Catering Resources Ltd	4.5	3.08	4.5	4.5	17.56	17.56	120.5	120.5
Alert ATM PLC	36.5	12.17	30.5	17.5	62.5	5.22	65.5	62.5
American Telecom PLC	300	43.09	300	300	370	11.13	38.5	370
Aradex Medical PLC					85			
Aradex Systems Ltd					120.5			
Arctice PLC					62.5			
Aurebury Resources PLC					370			

\* Other classes of shares available.

## EASDAQ

The EASDAQ All Share Index (EASI) for 5th March: 969.63 up 2.33% Day's high: 969.687 Day's low: 967.58  
EASDAQ is a fully regulated independent pan-European Stock Market focused on high growth companies with international aspirations. The shares of EASDAQ are listed on the EASDAQ Market.

Circuit & Package		\$6.79	\$8.99
Mosfet		\$1.29	\$1.49
Memory Capacitors		\$1.19	\$1.39

Annual Report 2000

Compiled with the assistance of AUTIF SS

QEC: Open-Ended Investment Company. Similar to a The symbols are as follows: (P) - 0001 to 1100

**Historic pricing:** The latter H develops East Sea

**Buying price:** Also called offer price. The price at which units in a unit trust are bought by investors.

**Scheme particulars, key features and**

**55 Association of Unit Trunks and Investment Funds,**

Identified by the symbol  indicating the <http://www.FI.com> Internet/DEC name.

... ..



● ET Dividend Unit Trust Prices are available near 7:30 a.m. Call the ET Dividend Unit Desk at 1-84 1711 873 4378 for more details.

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**FT MANAGED FUNDS SERVICE**

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4376 for more details.

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### Offshore Insurances and Other Funds

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هكذا مضى الى جبل



# US jobs report helps Footsie regain 6,200 level

## MARKETS REPORT

By Steve Thompson  
UK Stock Market Editor

There was joy all round in London's equity market yesterday as a subdued February US non-farm payroll report allayed fears that the next move in US interest rates would be up.

News that 275,000 new jobs had been created in the US last month was greeted with a burst of buying interest which drove Wall Street's Dow Jones Industrial Average up more than 200 points to a new intra-day record.

There had been widespread fears recently that the continuing

strength of the US economy could have provoked the Federal Reserve to nudge US interest rates higher to choke off demand.

The gain in the Dow revitalised a London market which, after an early blaze of buying interest at the start of the day - also prompted by a strong overnight performance by Wall Street - had come off sharply.

When the curtain fell on a tense week in London's equity market, the FTSE 100 had regained the 6,200 level, sitting happily at 6,205.5, up 104.1.

That performance enabled the Footsie to post a decent gain - 30.4 or 0.5 per cent - over a week which included a real disappointment

as the Bank of England's monetary policy committee left UK interest rates on hold for the first time in six months of regular meetings.

Outside the leaders, there was a further flurry of demand for the second and third-line stocks, which, unlike the FTSE 100 constituents, have been in fine form recently.

Last month, the FTSE SmallCap index left the other indices for dead, giving a total return of 7 per cent compared with 5 per cent for the FTSE All-Share, 4.8 per cent for the FTSE 250, and 3.4 per cent for the FTSE 100.

The FTSE 250 jumped 33.6 to 5,348.4 after a session high of

5,353.0, extending the gain over the five-day period to 100.1 or 1.9 per cent.

The FTSE SmallCap, meanwhile, rose up 15.0 and penetrated the 2,300 level to finish at 2,304.4, taking the gain on the week to 27.1, or 1.2 per cent.

Marketmakers, many of whom acknowledged they had been caught short by the sudden surge in the market over the past two sessions, said they expected continued US support in coming weeks in spite of the closeness of Tuesday's Budget.

The consensus is that the Budget won't provide too many shocks, said one marketmaker. He said the underlying tone

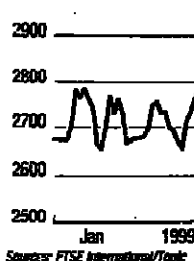
remained very strong. "There is plenty of cash waiting to come in and if we do come off, it won't be too far," he said.

There were plenty of individual stories driving the market. TI, the engineering group, was the FTSE 250's best performer, after news that Kohlberg Kravis Roberts, the US venture capital group, had bought a 4.9 per cent stake.

That move was seen as a signal that the engineering sector was undervalued, and led to gains across the sector leaders.

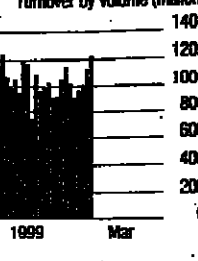
Turnover in equities reached 1.2bn shares, with non-FTSE 100 stocks accounting for 54.3 per cent of the overall figure.

## FTSE All-Share Index



Source: FTSE International/Refinitiv

## Equity shares traded



Source: FTSE International/Refinitiv

## Indices and ratios

Index	Value	Change
FTSE 250	5348.4	+33.6
FTSE 350	2944.3	+44.8
FTSE All-Share	2845.04	+104.1
FTSE All-Share yield	2.69	
FT 30	3767.8	+25.5
FTSE Non-Fin p/e	24.51	24.12
FTSE 100 Full Mar	8226.5	+126.5
10 yr Gilt yield	4.74	4.87
Long gilts/equity yield ratio	1.78	1.81

## FTSE 100 Index

Index	Value	Change
Closing index Mar 5	6205.5	
Change over week	+30.4	
Mar 1	6060.9	
Mar 2	6061.3	
Mar 3	6048.3	
Mar 4	6101.4	
High	6243.3	
Low	6021.4	

## MAIN MOVERS

Index	Value	Change
FTSE 350	2944.3	+44.8
FTSE 250	5348.4	+33.6
FTSE All-Share	2845.04	+104.1
FTSE All-Share yield	2.69	
FT 30	3767.8	+25.5
FTSE Non-Fin p/e	24.51	24.12
FTSE 100 Full Mar	8226.5	+126.5
10 yr Gilt yield	4.74	4.87
Long gilts/equity yield ratio	1.78	1.81

## TRADING VOLUME IN MAJOR STOCKS

Index	Value	Change
FTSE 100	6205.5	+30.4
FTSE 250	5348.4	+33.6
FTSE All-Share	2845.04	+104.1
FTSE All-Share yield	2.69	
FT 30	3767.8	+25.5
FTSE Non-Fin p/e	24.51	24.12
FTSE 100 Full Mar	8226.5	+126.5
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Based on trading volume for the FTSE 100 constituent companies and revenue yesterday used 4 days.  
1 indicates a FTSE 100 index move. All values are rounded. Source: FTSE International.

## FT 30 INDEX

Index	Value	Change
FT 30	3767.8	+25.5
FTSE 100	6205.5	+30.4
FTSE 250	5348.4	+33.6
FTSE All-Share	2845.04	+104.1
FTSE All-Share yield	2.69	
FT 30	3767.8	+25.5
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## FTSE Actuaries Share Indices

Index	Value	Change
FTSE 100	6205.5	+30.4
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## Hourly movements

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## EQUITY FUTURES AND OPTIONS TRADING

The March FTSE 100 future opened strongly above early trading in the cash market, heralding a day of strong gains, writes Martin Brice.

The non-farm payroll figures from the US prompted a bounce by March, which was trading 30 points above opening levels just ahead of the announcement but was very soon trading up 150 points.

Settlement was at 6,210, which was 5 points above the underlying cash market and a

handful away from estimated fair value.

Options volume was dominated by the oils as prospects of a higher oil price buoyed sentiment in the sector.

BP Amoco saw 935 lots dealt, with much attention on the out-of-the-money £10 calls, which went at 22½p. The shares closed at 936p.

Shell Transport saw the at-the-money 360p puts go at 21p as the stock closed at 360p. Calls at 15,600 lots outweighed puts at 10,700.

On Monday, SAB placed 35m new shares at 428p, while two SAB shareholders, Anglo American and Johnnie Industrial Corp (Johnnie), placed their combined five per cent holdings with institutions. Yesterday, the shares advanced 9 to 465p. However, one bear of the market said: "I still have my doubts about SAB getting into the Footsie. It will be a close-run thing."

A sharp rally in New York, and a subsequent leap in Asian markets, sent HSBC to the top of the blue-chip performance chart yesterday.

Not only is Hong Kong & Shanghai Bank heavily engaged to any shifts in the Hang Seng index but it also received a push from Goldman Sachs. The US broker has been running to keep up with the striking recovery in Asia's banking leader. HSBC has risen 80 per cent since last October and it is up 20 per cent since the results a fortnight ago. Nevertheless, Goldman highlights its "outperformer" rating with a price target of £20 based on a 4.2 per cent bond yield.

The UK-denominated shares rose 106 to £19.10 while the Hong Kong denominated gained 103 to £18.79, the two best performances in the Footsie.

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## FTSE - LEADERS & LAGGARDS

Index	Value	Change
FTSE 100	6205.5	+30.4
FTSE 250	5348.4	+33.6
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## SA brewer stays in spotlight

By Joel Khazoo and Peter John

The focus remained on drinks group South African Breweries and hopes that it will move into the FTSE 100 following its full listing on Monday.

Broker Robert Fleming placed 11.68m new shares under the "green shoe" (share stabilisation) option to bring the total size of the issue to just under 81.5m shares.

On Monday, SAB placed 35m new shares at 428p, while two SAB shareholders, Anglo American and Johnnie Industrial Corp (Johnnie), placed their combined five per cent holdings with institutions. Yesterday, the shares advanced 9 to 465p. However, one bear of the market said: "I still have my doubts about SAB getting into the Footsie. It will be a close-run thing."

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## Centrica received support

from Commerbank, which turned more positive on the stock. The "buy" recommendation argued the current share price "ignores the strong growth likely over the next few years" and sees the stock as fair value at 150p. The shares were steady at 117½p.

Glaxo Wellcome shuffled lower in early trading, affected in part by a Salomon Smith Barney downgrade. The US broker has reduced next year's forecast by 2 per cent to \$3.2bn and the following year's numbers by 3 per cent to \$3.8bn. It has also cut its share price target by 40p to £22. The shares were up 17 at worst but another striking performance by Wall Street saw the internationally-traded stocks recover and Glaxo closed 12 higher at £19.30.

PowerGen continued lower as Goldman Sachs cut its price target for the generator's shares to 860p from 885p. The shares ended 15½ down at 75½ while National Grid fell 7½ to 432p.

United News & Media jumped 22 to 65p following strong full-year results. Chief executive Clive Hollick said 1998 had got off to a "bright start" with a good performance in a



## LONDON SHARE SERVICE

## ALCOHOLIC BEVERAGES

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## BANKS, RETAIL

Company	Price	Volume	Notes
Bank of Scotland	1.00	100	
Barclays Bank	1.00	100	
...	...	...	...

## BREWERIES, PUBS &amp; REST

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## BUILDING MATS &amp; MERCHANTS

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## CHEMICALS

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## CONSTRUCTION

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## CONSTRUCTION - Continued

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## DISTRIBUTORS

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## DIVERSIFIED INDUSTRIALS

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## ELECTRICITY

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## ELECTRONIC &amp; ELECTRICAL EQPT

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## ENGINEERING

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## ENGINEERING - Continued

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## EXTRACTIVE INDUSTRIES

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## ENGINEERING, VEHICLES

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## ENGINEERING - Continued

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## EXTRACTIVE INDUSTRIES

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## ENGINEERING

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## FOOD PRODUCERS - Continued

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## GAS DISTRIBUTION

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## HEALTH CARE

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## HEALTH CARE - Continued

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## HOUSEHOLD GOODS &amp; TEXT

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## INSURANCE

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## INVESTMENT TRUSTS

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## INVESTMENT TRUSTS - Continued

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## INVESTMENT TRUSTS SPLIT CAPITAL

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...

## INVESTMENT TRUSTS SPLIT CAPITAL

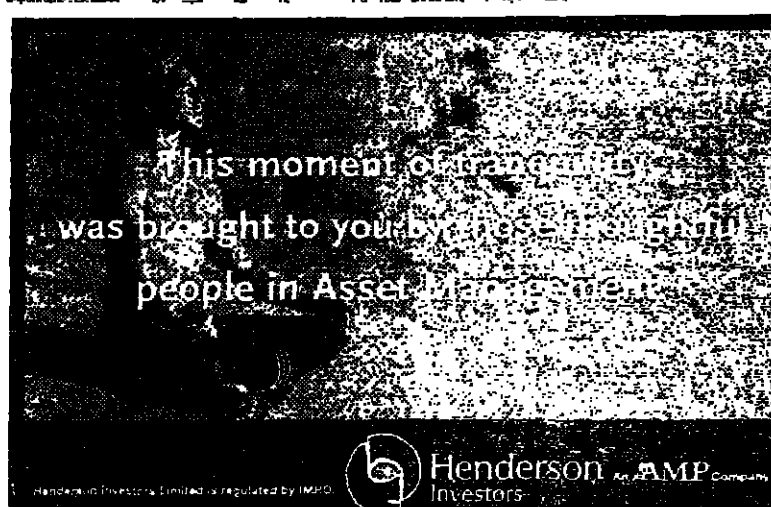
Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
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## INVESTMENT TRUSTS SPLIT CAPITAL

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
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## INVESTMENT TRUSTS SPLIT CAPITAL

Company	Price	Volume	Notes
Adnoca Ltd	1.00	100	
Brewery Co	1.00	100	
...	...	...	...



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Highs &amp; Lows shown on a 52 week basis

## WORLD STOCK MARKETS

## NORTH AMERICA

UNITED STATES (Mar 5 / US\$)

(4 per cent)

Dow Jones

S&amp;P 500

NASDAQ

NYSE

AMEX

NYSE

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## CANADA (Mar 5 / Can. \$)

(4 per cent)

Dow Jones

S&amp;P 500

NASDAQ

NYSE

AMEX

NYSE

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## EUROPE (NON-EMU)

(4 per cent)

Dow Jones

S&amp;P 500

NASDAQ

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## EUROPE (EMU) Prices in €

(4 per cent)

Dow Jones



# Dow jumps 200 points on jobs report

## AMERICAS

US shares soared in early trading, sending the Dow Jones Industrial Average up 200 points and into record territory following a rally in the bond market, writes John Labate in New York.

The monthly employment report set the stage for the rally in bonds and stocks. Fear of a pick-up in the labour market and a rise in wage pressure had put a damper on the market for much of the week.

While the figures were strong, showing that payrolls had grown by 275,000 in February, they did not exceed expectations by much, and average hourly earnings were up 0.1 per cent. Analysts pointed out, however, that the labour market continues to be tight, with the unemployment rate rising slightly to 4.4 per cent.

By midday, the benchmark 30-year bond had gained 1½ to 95½, sending the yield tumbling to 5.88 per cent.

Falling bond yields set the stage for the early rally in equities, although big-name blue-chip stocks were the biggest winners over such sectors as technology and financial services.

The Dow was 201.52 higher by early afternoon, a gain of 2 per cent, to 9,688.92. The Standard & Poor's 500 index rose 20.47 to 1,297.11 while the technology-weighted Nasdaq composite was up 36.39 or 1.6 per cent to 2,329.28.

Leading the Dow higher, General Motors gained 3½ to 88¾ a day after the carmaker said it would boost production plans for the first quarter.

# Jo'burg extends gains

## SOUTH AFRICA

Johannesburg moved higher for the fifth day running, sending the all share index up 90.9 to a fresh high for the year of 6,221.6.

The upsurge came across the board with financials

In the internet sector, Yahoo! climbed 7½ to \$158½ after Hambrecht & Quist raised its rating to "buy" from "hold".

CompUSA plunged 38 per cent or \$2½ to \$6½, as Goldman Sachs lowered its rating to "market performer" and CS First Boston cut the stock to "hold" from "buy".

On Thursday, the computer retailer warned about forthcoming earnings.

TORONTO made rapid progress with investors reacting to the positive US jobs data with a surge of buying orders. Banks and leading energy stocks led the way and at noon, the benchmark 300 composite index was up 103.19 at 6,371.80.

Royal Bank of Canada gained \$1.55 at \$73.05 and Bank of Montreal 35 cents to \$88.85. Among energy leaders, Renaissance rose 55 cents to \$214.40 and Canadian Occidental 50 cents to \$214.80. Top conglomerate Canadian Pacific rose \$1.30 to \$239.10. In golds, Barrick fell 20 cents to \$27.25.

MEXICO CITY was 82.44 higher at 4,300.46 on the IPC index at midsession following a strong start for leading shares. Market heavyweight Telmex jumped 55 centavos to 28.90 pesos in good two-way trading volumes.

SAO PAULO also gained ground, helped by a solid morning for the Real which rallied against the dollar after Thursday's policy statement from the central bank.

At midsession, the Bovespa index was up 66 to 9,574.

SANTIAGO failed to share in the broad improvement for Latin American markets, slipping 0.47 to 115.54 on the IPSA index at midsession.

and industrials both rising by 1.8 per cent to 9,406.9 and 7,136.1 respectively.

Fuels and chemicals leader Sasol jumped 9.1 per cent to R28.20. Gold stayed in top form, advancing 1.6 per cent to 951.0 for a five-day gain of more than 12 per cent.

## EUROPE

European markets shot up after a soft start to the week as US payroll figures came in lower than expected, reversing fears of an interest rate rise in the US.

FRANKFURT rose 118.12 to 4,840.81 on the Xetra Dax index and a stressful week with little net change overall. Siemens continued to push higher and the shares advanced €2.70 to €59.35 on further speculation that Siemens is poised to expand into US data networking.

MAN gained 71 cents to €24.70 on rumours that the German group was set to link up with RVL the truck arm of French motor giant Renault.

Banks were firm too. Deutsche Bank added €1.32 to €48.15 and Dresdner €1.11 to €32.41. Among insurers, Munich Re gained €5.10 to €187.

PARIS rocketed on the US payroll data, surging through the 4,200 mark on the CAC-40, before easing in the afternoon as investors took profits. The blue-chip index closed 101.5 or 2.5 per cent higher at 4,188.56, a 2.3 per cent rise on the week.

Leading the pack was Thomson-CSF, up €2.69 or 9.6 per cent to €30.88, on reports that British Aerospace was considering an alliance with the French defence company.

Peugeot rose steadily following upbeat comments from brokers expecting the stock to outperform after its recent weakness. Shares rose €7.80 to €128.80.

Bank stocks were subdued after Thursday's strong rise. But Societe Generale stood

## Germany

Xetra Dax Index

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## France

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## COMPANIES &amp; FINANCE

BANKING TRADE FINANCE DEAL WILL STRENGTHEN LONDON-BASED GROUP'S NETWORK WITH LIST OF MULTINATIONAL CLIENTS

## StanChart makes £130m buy from UBS

By George Graham, Banking Editor

Standard Chartered, the London-based international bank, has agreed to buy the non-Swiss trade finance business of UBS, Switzerland's biggest bank, for \$F300m (£129.5m).

The bank immediately raised \$34m, about half of it to fund the acquisition and finance the assets acquired, by placing new shares with institutional investors.

The acquisition includes a portfolio of about £1bn of trade loans and brings Standard Chartered a list of multinational clients for its trade finance, in which it is already one of the world's leading specialists.

Although about half the loan portfolio is in Latin America and a further £200m in Asia, Africa and the Middle East, trade debt is generally regarded as good-quality short-term lending.

Rana Talwar, the bank's

chief executive, said: "Financing trade in emerging markets is a core activity and long established strength of Standard Chartered. We have today acquired a high-quality operation which strengthens our network position, particularly in Latin America and Asia."

Standard Chartered warned last week that it faces a difficult year in its main Asian retail banking markets, but Mr Talwar said it was considering other

acquisitions, taking advantage of the withdrawal of many of its western competitors from the region. It has looked at possible acquisitions in Thailand and South Korea, and is among the bidders for Bank of America's retail business in Taiwan.

Yesterday's deal will also bring UBS's trade-related dollar payment services, and is expected to make Standard Chartered the seventh largest dollar clearer in the Chips payment

system in New York.

UBS is trying to slash its low margin corporate loan book. Other than the wholesale businesses in its Warburg Dillon Read investment banking business have been put up for sale.

UBS will continue to provide trade finance for Swiss customers. The trade finance division is estimated to have revenues of £40m-50m a year. Standard Chartered said it expected it to enhance earnings per share, before the

amortisation of goodwill, in 2000.

The placing of 49m new shares, arranged by Schroders and Goldman Sachs and brokered by Cazenove and Warburg Dillon Read, was carried out at 84p, a discount of 3.9 per cent to the previous day's closing price, after excluding a final dividend to which the new shares will not be entitled.

The shares, which will go ex-dividend on Monday, closed 7.5p lower at 82.5p.

ENGINEERING GROUP IMPROVES CREDIBILITY AS RESULTS HIT TARGET AFTER STRONG ORGANIC SALES GROWTH

## TI leaves a question mark over its low rating

By Michael Peel

Strong organic sales growth helped TI Group to full-year results in line with expectations, causing analysts to question the company's low rating relative to its peers.

Three of the group's four divisions showed operating profit growth of more than 15 per cent, helping to lift 1998 pre-tax profits from

£220.6m to £226.7m on sales up 16 per cent at £2.17bn.

TI's shares have fared much worse than those of other large engineering companies since the sector fell out of favour with investors nine months ago. The group, which has a market capitalisation of £2.14bn, has underperformed Smiths Industries by more than 30 per cent since the start of June.

TI said organic sales growth for the year was 9 per cent after currency translation effects - which hit sales by £2m and operating profits by £5.8m - and acquisitions and disposals. "The organic sales figure was excellent and in our view is a very good indicator of the quality of the business," said one analyst.

TI said it was confident of

continued growth in 1999. Trading in January and February had been as expected, and its order books were ahead of last year.

Operating profits rose sharply at John Crane, the group's sealing systems business, Dowty, its aerospace operation, and Bundy, which makes fluid carrying systems used in refrigerators.

The group, which made about £700m of acquisitions and £275m of disposals during the year, finished the period with net debt of £512.7m (£37.9m). It said interest cover remained comfortable at 10 times, down from 16.

The full year's dividend is increased to 17.3p (15.9p), on a final pay-out of 11.6p (10.8p). Earnings per share

fell from 31.5p to 30.4p.

Analysts are predicting pre-tax profits of £250m this year and £270m next, putting the group on a 1999 multiple of 12.5.

One corporate financier not involved in the deal said the agreement with KKR might help TI achieve a better rating. "There is no question it's done TI's credibility good," he said.

## Lewinton springs a £94m surprise in his worldwide quest

Peter Marsh asks whether there is more than immediately meets the eye to the announcement of KKR's stake in TI

For 25 years Sir Christopher Lewinton has been pulling off stock market surprises - and yesterday was no exception. The 67-year-old veteran of UK manufacturing industry announced a deal under which Kohlberg Kravis Roberts, the large New York investment group, has bought a 4.9 per cent stake in TI, the engineering company of which he is chairman.

The £94.4m investment immediately led to speculation that KKR might be interested in buying the company, or was a prelude to Sir Christopher and other managers taking the group private. Both theories were roundly scotched by TI - but even so, many analysts were left wondering whether there was more behind the deal than was immediately apparent.

The explanation for the investment, according to Sir Christopher, is that the KKR involvement gives TI "access to extra firepower" in its quest to expand its worldwide business. He said the "glue" between TI and KKR - which involves Henry Kravis, a KKR partner and one of the world's most powerful

investors, joining the TI board as a non-executive - would mean TI could gain from KKR's expertise in potential acquisitions. KKR's ability to raise finance for such deals could also be useful.

Since Sir Christopher became chief executive of TI in 1986 - he stepped down from this job only last year - he has made about 200 acquisitions and divestments, reshaping the group from a midlands metal-basher into a specialist engineering business with 80 per cent of its £2.2bn annual sales outside the UK.

Last year the company spent £75m on acquisitions, built around aerospace parts, specialist tubing for vehicles and refrigerators, and mechanical and elastomer seals.

Before joining TI, Sir Christopher had emigrated to the US in the 1960s after becoming disillusioned over the climate in Britain for entrepreneurs. He returned in the 1970s to push through a controversial merger between the Wilkinson Sword razor-blade company and British Match, a sleepy world force in the match business. Another big deal

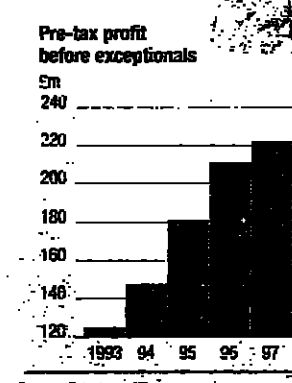
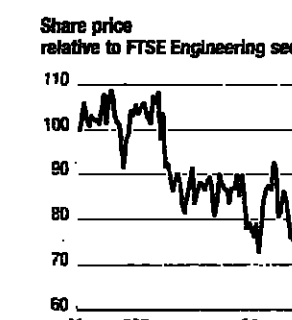
followed in 1978 when he was instrumental in bringing together the renamed Wilkinson Match with Allegheny Ludlum, a US steel company.

Nowadays Sir Christopher spends a third of his time in the US - which accounts for half TI's sales - and is exploring the idea of listing the group in New York as well as London.

Including the KKR stake - which the US company has an option to raise to 9.9 per cent - about a quarter of TI's shares are held by US-based investors, up from only 3 per cent two years ago. Yesterday's deal was mooted by Mr Kravis when he and Sir Christopher - business acquaintances for the past decade - met in December over a cup of coffee in the US.

Sir Christopher is hoping the US-based investors will inject new life into TI's shares, which since the end of 1996 have underperformed the rest of the London stock exchange by about 50 per cent - and have underperformed the engineering sector over the same period.

The poor showing has been related to investors' worries about TI and other



engineering stocks being hit by slowing world growth, plus fears about the effects on earnings of the high pound.

However, Sir Christopher believes the market's view of



TI is seriously askew and that KKR's interest in the company as an investment illustrates the degree of undervaluation.

While yesterday analysts were divided about how

## SFX could make all-cash offer for Wembley plc

By Charles Pretzell

The battle for control of Wembley stadium intensified yesterday when SFX Entertainment, the life assurance company, indicated that it could make an all-cash offer for the stadium's owner, Wembley plc.

It also indicated to the Wembley board it would preserve the existing plan to sell the stadium to the Football Association.

However, in exchange for a role in managing the stadium and events held there, it would allow the FA to buy the stadium for less than the £106m (£170m) it has already agreed to pay.

SFX has asked Wembley to postpone next week's shareholder vote on the deal with the FA. It has told the Wembley board it would be prepared to bid at least 40p a share in cash for the company. The proposals are contained in a letter received by the Wembley board yesterday. SFX wants Thursday's extraordinary meeting to be postponed to give it more time for due diligence.

Wembley is already understood to have granted SFX access to some of its books. The indicative proposal from SFX, which values

Wembley at £218m, is lower than the £229m offer made earlier this year by Enic, the UK sports and entertainment group.

However, Enic's 412p-a-share offer only included 200p in cash, with the balance in shares. Enic has suggested to Wembley's non-executive directors that it could raise the cash element of its offer to 300p.

It is understood that Wembley shareholders, who were unimpressed by Enic's offer, would be prepared to consider a 400p-a-share all-cash offer from SFX.

However, they are believed to be seeking a price closer to 450p and SFX is believed to be considering offering more than 400p.

Wembley's two largest shareholders, Phillips & Drew and Schroder Investment Management, have so far backed Wembley's existing plan.

The FA's purchase of the stadium lies at the heart of a scheme to redevelop it into the National Stadium capable of hosting the football World Cup and the Olympics.

SFX is being advised by Lehman Brothers, the investment bank.

## SAB's London listing plans come to a head

By Philip Coggan, Markets Editor

A further £50m worth of stock in South African Breweries was placed in the market yesterday as the company prepared for its full listing on Monday and its possible entry into the FTSE 100 index.

Robert Fleming, managers of the placing with Cazenove and Goldman Sachs, said a further 11.68m new shares had been placed under a so-called "green shoe" option, bringing the total size of the issue to just under 81.8m shares. Bevon, a joint venture between Anglo American, Johnnie and Liberty Life, holds a 28.3 per cent stake in SAB.

The FTSE equity indices committee meets on Wednesday and its decision will be based on share prices as of Tuesday's close. Any company above 90p in terms of market capitalisation automatically qualifies for inclusion and any below 110p drops out.

Conditional dealings in SAB have so far gone well, allowing the managers to release more stock, and the

indicated share price rose 9p to 465p yesterday. The £50m worth of extra stock in SAB may not be decisive in securing a place in the index but will help in what could be a close race.

Previous index changes have been preceded by sharp share price movements in the days before the committee meeting.

Based on last night's share prices, SAB was in the mid-80s in terms of market value, indicating that it would qualify along with Energis and Misy, a software company. Tomkins and Williams, two of the 1980s' best-known conglomerates, look the most likely companies to drop out, alongside Safeway, the supermarket group.

The inclusion of international companies in the FTSE 100 has been the subject of some controversy, particularly when the companies retain a listing in their own market and the free float is restricted. Index-tracking funds, and other investors which mimic the index, are forced to buy shares, creating an artificial shortage in the stock and pushing up the price.

## Chemring down after failed bid

By Dan Bilefsky

Shares in Chemring fell nearly 10 per cent yesterday after the defence and engineering concern said discussions with a bidder had ended without an agreed offer.

An attempted institutional buy-out was understood to have been unanimously rejected by Chemring's board of directors because the sides could not agree on a price.

Observers said any future institutional or management buy-out attempts were likely to be rejected, but Chemring would not rule out a bid from another company if the price was right.

Julian Morse, a defence analyst with Beeson Gregory, said Chemring was undervalued following its recent restructuring.

He estimated that a bidder would need to pay at least 180p a share to secure a deal, which would value Chemring at almost £43m. The

shares slipped 14p yesterday to 132.5p.

However, Mr Morse said: "The general gloom hitting UK engineering manufacturers and small companies means that it will take some time for Chemring to regain market confidence."

In January Chemring reported a £1.25m pre-tax profit for the 12 months to October 31, against a £34m loss in the previous 12 months.

David Evans, who took over as chief executive from Peter Malony at that time, said the group planned to continue to focus on developing its defence technology.

Its marine safety equipment business would be the basis of its non-defence activities.

Mr Evans joined Chemring from GEC-Marconi in 1987. He was appointed the chief executive after the company completed its divestment strategy.

## Life assurance sale puts focus on Guinness Peat

By Richard Rivlin

The pending sale of Guinness Peat Group's majority stake in the Tyndall Australia life assurance group for £190m (£208m) has raised expectations that the active investor will soon focus on larger deals or return a significant sum to shareholders.

GPG, chaired by Sir Ron Brierley, the New Zealand entrepreneur, said yesterday the stake sale would force it to consider its future direction. "The main issue will be whether GPG reinvests on a somewhat larger scale or whether it is now timely to return funds to shareholders, or a combination of both," it said.

Blake Nixon, executive director of GPG, said he expected the sale to Royal & Sun Alliance to be completed by May.

The group yesterday announced reduced pre-tax profits of £28.4m (£31m) for 1998 on turnover up from 1997 on 32 per cent to £153.8m. The shares eased 5p to 56p.

GPG controls a 50.3 per cent stake in Tyndall and has historically put a book value of £40m on it.

Once the sale has been

completed GPG will have a war chest of £190m.

However, its traditional ploy of buying stakes in underperforming UK public companies and instigating change after buying minority stakes is thought unlikely to generate sufficiently high returns.

During 1998 GPG disposed of stakes in Bluebird Toys, Allgas Energy and Pico Holdings, the US insurance group.

Attention will turn to the group's current holdings. These include 18 per cent of non-voting A shares in Young & Co, the brewer, and 11 per cent in Gowers, the motor dealer. Its most recent investment was to buy a 5 per cent stake in Dawson International, which owns the Pringle sweater brand, last month.

Mr Nixon said GPG remained a net investor: "We are certainly more keen on buying stakes than selling them at the moment. You can only have so many active stocks but also a few which are going in the right direction."

"We have scope to invest and are constantly looking at lots of smaller companies."

**ATLANTAS SICAV**  
21 Boulevard Emmanuël Servais, L-2555 Luxembourg  
R.C. Luxembourg B 35 188

**NOTICE TO THE SHAREHOLDERS OF ATLANTAS SICAV**

Notice is hereby given that the Annual General Meeting of Shareholders of ATLANTAS SICAV will be held at the Registered Office of the Company on 25 March 1999 at 2.30 pm.

**AGENDA**

- Approval of the Activities Report of the Board of Directors for the fiscal year ended on 31 December 1998.
- Approval of the Auditor's Report for the fiscal year ended on 31 December 1998.
- Approval of the financial statements for the fiscal year ended on 31 December 1998.
- Allocation of the net result for the fiscal year ended on 31 December 1998.
- Reaffirmation of the cooptation of Mr. Edward de BURLEY in replacement of Mrs. Anne de la VALLÉE POUSSIN.
- Discharge of the outgoing Directors and the Auditor from their duties for the fiscal year ended on 31 December 1998.
- Appointment of the Agents of the Company:
  - Appointment of the Directors.
  - Appointment of PricewaterhouseCoopers as Auditor.
- Authorization to be given to the Board of Directors, represented by two Directors, to decide, by private deed, to convert into euro the capital and the other figures included in the consolidated articles of association of ATLANTAS SICAV, expressed in a currency of a member State of the European Union which has adopted the single currency.
- Reaffirmation of the nomination of Proinvest Inc., in its capacity as Investment Adviser of ATLANTAS SICAV.
- Any other business.

The Shareholders are informed that no quorum is required for this Meeting and that the decisions are taken by a simple majority of the shares present or represented.

Each share is entitled to one vote.

Each Shareholder may act at any meeting by Proxy. For this purpose, proxies are available at the Registered Office and will be sent to Shareholders upon request.

To be valid, the proxies duly signed by Shareholders must be sent to the Registered Office in order to be received the day preceding the Meeting by 5pm at the latest.

Owners of bearer shares who would like to attend the Meeting should deposit their shares at the Registered Office five working days before the Meeting.

Shareholders who wish to obtain the Audited Annual Report as at 31 December 1998 and the Prospectus dated July 1998 including the amendment dated March 1999 may do so at the Registered Office of the Company.

On behalf of the Company,  
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	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividends corresponding to the year	Total for year	Total last year
City Group plc	28 wks to Jan 10	1.96 (0.593)	0.488L (0.183L)	2.2L	(-)	-	-	-
Barclays Bank	6 mths to Dec 31	5.52 (3.02)	0.824 (0.614)	61	(6.6)	0.5	41	1
Bank of Scotland	Yr to Jan 2	291.4 (265.9)	20.2 (18.1)	122.8	(121.1)	26.5	41	37
Guinness Peat	Yr to Dec 31	153.9 (116.2)	29.4 (21.9)	4.53L	(4.25)	0.6	0.4	0.4
Lincolntown Group	Yr to Dec 31	167.8 (163.3)	8.1P (12.3L)	6.8	(11.5L)	-	-	-
Swan Hill Group	Yr to Dec 31	75.4 (88.4)	3.1 (6.79P)	4.1	(11.8)	1.8	1.65	2.75
Thames Valley	28 wks to Jan 24	87.8 (63.3)	11.744L (10.364L)	14.59	(10)	1.95	1.8	8.4
TI Group	Yr to Dec 31	2,168 (1,870)	226.7P (220.1P)	30.4	(31.6)	11.6	13	15.9
UDC News & Media	Yr to Dec 31	2,334 (2,349)	400.8P (205.1P)	62.9	(23)	11.9	13	22.5P
VDC	6 mths to Nov 30	46.5 (45.2)	0.96 (0.87)	6.23	(6.41)	1.375	Apr 1	2.4

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. \*After exceptional charge. \*After exceptional credit. \*10% increased capital. \*Comparatives restated. \*Am stock. \*Adjusted for capital reorganisation. \*Interim paid as Foreign Income Dividend.



## COMPANIES &amp; FINANCE

## ABN Amro secures Italian alliance

By Gordon Cramb in Amsterdam and James Birt in Rome

ABN Amro plans to make Italy a second home market in Europe, after securing an alliance yesterday with that country's fourth largest commercial bank and underwriting a merger that would create the eighth biggest.

The Dutch banking group is buying an 8.75 per cent stake in the privatised Banca di Roma, making it the first foreign institution to be granted core shareholder status in a prominent

Italian bank. Paying £1.288bn (£965m, \$720m), it will be able to nominate the vice-chairman and two members of Banca di Roma's board.

In a related deal, Banca di Roma - with assets approaching £80bn - will sell for £1.350bn its 50.4 per cent controlling stake in Banca Nazionale dell'Agricoltura (BNA) to Banca Antoniana Popolare Veneta (BAPV), a regional bank with a strong base in the north-east. The two rank 13th and 14th in Italy.

ABN Amro, which has had links with BAPV for some five years, is to back a cheaply priced convertible bond issue to help BAPV finance an offer for the rest of BNA. ABN Amro, from a starting stake of only 0.5 per cent in BAPV, intends to proceed to take control of the merged entity, which would have assets totalling more than £40bn.

At Banca di Roma it becomes a core shareholder alongside Ente Cassa di Risparmio di Roma, the parent foundation which is selling

the stake, and Toro, an insurance offshoot of the Fiat car and truck group.

The core shareholders can control a maximum 30 per cent of its capital under a pact that expires at the end of next year. Any shares they sell must be offered first to those partners. In Amsterdam yesterday ABN Amro expressed interest in raising its stake to 15 per cent, giving it effective control.

The deal marks a new phase of consolidation for Italian banking. However,

Cesare Geronzi, Banca di Roma's chairman, refused to confirm that the agreement ended two years of attempts to merge with Milan's Banca Commerciale Italiana.

One banker familiar with the deal said, however, that it made a BCI merger much more difficult.

ABN Amro's products and services will meanwhile gain access to the Italian market through Banca di Roma's 1,300 branches. Banca di Roma was advised by Goldman Sachs and ABN Amro by NM Rothschild.

## Goldman reshuffles ahead of IPO

By Tracy Corrigan in New York

Goldman Sachs is to appoint a new chief financial officer as part of a series of management changes in preparation for its initial public offering, which is due within the next three months.

The changes include the enlargement of its 15-strong management committee to include two women, the first to rise to strategic management level in the firm's 130 year history.

Wall Street's largest remaining private partnership will announce on Monday that it is appointing David Viniar as chief financial officer.

The CFO role is seen as a crucial position, as the company will be restructuring its capital base when it changes from a private partnership to a public company. Mr Viniar was head of finance under the previous CFO, John Thain, who was promoted to co-chief operating officer earlier this year.

The two women appointed to the Goldman management committee are Leslie Tortora and Robin Neustein. Ms Tortora, head of the firm's new information technology division, is a member of the internal Goldman committee reviewing its internet strategy.

The firm is looking at options to develop internet businesses, including entering the retail investment market either through a joint venture or acquisition. Ms Neustein, the firm's chief of staff in charge of human resources, is already a member of the partnership committee. She joined the firm in 1982.

Women on Wall Street have tended to gain promotion more easily in areas such as human resources and corporate communications - cost centres rather than profit centres - but these are not areas from which the next chiefs of the firm are likely to be plucked.

## Rodamco set for share offering

By Gordon Cramb in Amsterdam

Shares are likely to be offered in the European holdings of Rodamco, when the Dutch property fund splits later this year into four geographic units.

Yesterday the Rotterdam-based fund - part of the Robeco group being acquired by the co-operative Rabobank - detailed a plan to create separately listed investment institutions for North America, continental Europe, the UK and Asia.

Rodamco itself would at that point be delisted and dissolved, in a change to the original scheme outlined in late 1997. It had been planned to keep a global fund with stakes in the regional offshoots.

But that evoked concern on governance issues, amid worries that any shifts in portfolio weighting undertaken by the global entity would be taken as a signal by investors in the regional units to buy or sell.

As a result, management of the four is also to be separated. Jan de Kreijl, Rodamco's managing director, will head Rodamco Continental Europe, which will be the largest quoted owner of retail property across that region. "We wanted tailored strategies for each management," he said.

His new unit and Rodamco United Kingdom are considering share offerings as part of the demerger. The four will also be able to issue equity to pay for property acquisitions. Vendors, which are often nationally or regionally focused investment companies, have not wanted the worldwide exposure offered by Rodamco stock in its current form.

Shares in Rodamco rose 5.9 per cent on the news, bringing its market capital to some €4bn (\$4.33bn). Rodamco is being advised by J.P. Morgan, which was brought in only recently after the problems thrown up by its original plans.

## JAL counts cost of swimming with the sharks

Japan's leading airline is suffering from fierce domestic competition and a severe recession, writes Alexandra Harney

For a man with a lot on his mind, Isao Kaneko seems unusually light-hearted. At a recent presentation to reporters in Tokyo, the president of Japan Airlines cheerfully displayed a cartoon depicting one of his planes wobbling precariously over the ocean, caught between its feisty competitors in Japan and overseas.

Mr Kaneko explained how deregulation and the recession had devastated performance in recent years.

"If we cannot be competitive, we may be forced to fall into the shark-infested sea of red ink," he said.

If the truth be told, Mr Kaneko has been swimming in losses for years. When he was appointed president last June, JAL had not made a profit or paid a dividend since 1991 and it had accumulated over ¥1,300bn (\$10.53bn) in interest-bearing liabilities on its balance sheet. The president and chairman had just resigned in the wake of a controversial decision to use ¥254.6bn of JAL's capital reserves to pay off the group's accumulated deficit and write off losses from unprofitable real estate and hotel subsidiaries.

To make matters worse, Japan was facing its first decline in foreign travel volume in seven years, the economy was mired in its

worst slump since the end of the war. And as if that was not enough to contend with, towards the end of last year, the government gave Sky-mark and Air Do, the low-cost start-up airlines, permission to fly and charge lower ticket prices.

Sky-mark promptly cut its fares to half those of JAL, and rivals All Nippon Airways and Japan Air Systems, triggering a price war in the industry.

To Mr Kaneko, the game plan seemed clear enough. Lower costs, aggressively pursue alliances with foreign airlines and eliminate unprofitable businesses.

"For the short term, in fiscal 1998, the target is to start paying a dividend. That is the biggest issue. Then we have to prepare for next year, and on, to be stronger," says Mr Kaneko.

In rapid succession, Mr Kaneko announced 300 new job cuts, changed the pay scale for pilots, signed an alliance with American Airlines and British Airways, and sold off some of the group's largest hotels.

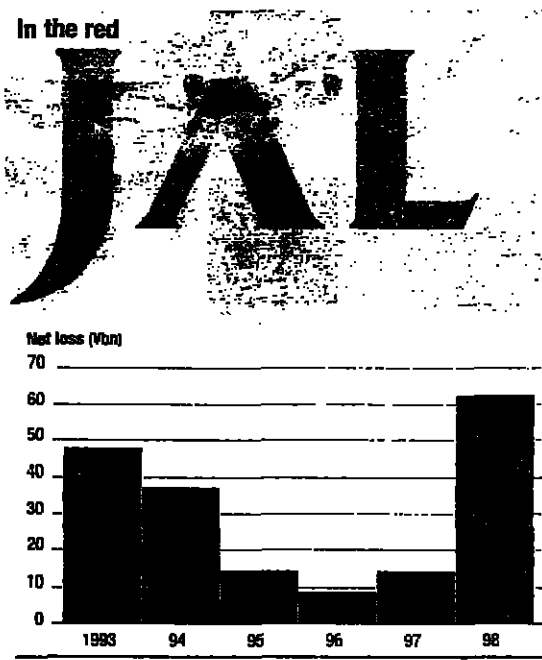
Mr Kaneko claims the moves have lowered JAL's unit labour costs 40 per cent compared with 1991. "I am confident that as far as operating cost is concerned, we are very close to other airlines," Mr Kaneko says. He

adds that high landing and facility rental fees, and Japanese custom that prevents laying off or firing workers, has made this difficult.

Reforming the cost base is the first step. The second step, it would seem, is to join one of the new global alliances. While Mr Kaneko's efforts to sign a code-sharing agreement with British Airways and American Airlines recently suggested the airline was moving toward joining the One-world alliance, he says he still harbours suspicions about the benefits of these groups.

The other big concern is the potential economic disadvantages in dissolving the carrier's bilateral agreements with more than 20 other airlines.

But the real dangers lie in the domestic market, analysts say. Tough competition and difficult operating conditions threaten to erode the effect of the efficiency gains Mr Kaneko has struggled to achieve. Narita, the country's largest international airport, has the highest landing fees in the world, and new capacity from an extra runway expected to be completed by 2001 should only increase downward pressure on prices by expanding supply. At the same time, the



new start-ups have forced JAL, JAS and ANA to lease more planes, lower wages and hire more temporary staff.

Even more ominously, the Japanese economy shows little sign of recovery, and the number of business travellers is shrinking.

The Japan Travel Bureau, the country's leading travel agency, expects the number of domestic and international passengers to plateau this year, and consumer

spending on travel to decline 2.8 per cent. This means the pricing environment should deteriorate further, increasing cost pressure on JAL. But Mr Kaneko was confident JAL would meet its targets of ¥16bn in net profits in the year ending this month, compared with losses of ¥62.92bn in 1998. Sales are expected to increase slightly, from ¥1,580bn to ¥1,590bn. The question will be how long he can keep the airline's nose above water.

## HK Telecom in Microsoft link

By Louise Lucas in Hong Kong

Hongkong Telecom shares surged almost 6 per cent yesterday after the territory's dominant carrier signalled a strategic alliance with Microsoft, the world's largest software group.

The companies are to hold a joint news conference next Tuesday, which will be co-hosted by Bill Gates, Microsoft chairman and chief executive. The "strategic co-operation plan" will involve a technology trial related to online services.

The deal reflects Hongkong Telecom's efforts to expand into multimedia services to reduce its reliance on international direct dial telephone calls. The IDD market was thrown open in

January and has seen aggressive price-cutting.

Hongkong Telecom anticipated this several years ago, developing a multimedia services unit. Last year it launched the world's first fully interactive TV service, including home banking and video-on-demand, although Hong Kong's recession means demand has been less buoyant than hoped.

More recently, it has taken other steps into the interactive world, buying internet service providers and pledging to invest in building Hong Kong's broadband infrastructure - which gels with the government's ambitions to create a regional high-tech centre.

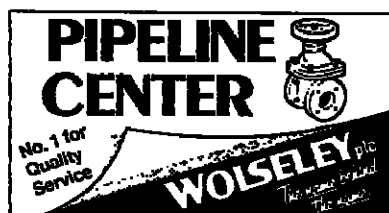
Hongkong Telecom shares closed up HK\$1.15 at HK\$14.

## FT/S&amp;P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

THURSDAY MARCH 4 1999									
Region	Index	Change	YTD	Local	Div.	Yield	Index	Change	YTD
Australia (72)	175.94	-0.3	188.52	180.31	218.53	218.52	-0.1	3.37	206.08
Austria (21)	175.94	-0.3	188.52	180.31	218.53	218.52	-0.1	3.37	206.08
Belgium (22)	370.51	-1.3	341.67	285.01	340.36	340.36	-0.5	1.98	375.33
Canada (11)	101.18	7.4	82.30	78.92	107.58	107.58	0.3	1.35	182.52
Denmark (34)	428.64	-2.5	383.44	332.79	453.65	453.65	-1.7	1.73	437.58
Finland (29)	508.64	-0.3	561.27	474.76	701.29	701.29	0.5	1.60	610.42
France (74)	308.89	1.1	284.85	240.94	283.49	283.49	1.9	2.10	305.94
Germany (52)	240.21	3.3	221.51	187.37	225.54	225.54	-0.5	1.72	243.40
Greece (36)	383.50	-4.0	354.04	299.47	408.23	408.23	-3.1	1.04	389.95
Hong Kong, China (68)	288.32	0.1	264.04	223.34	304.45	304.45	0.1	4.28	288.06
Indonesia (24)	46.80	-2.2	43.10	36.51	46.78	46.78	-1.7	1.14	47.35
Ireland (14)	527.36	-0.7	485.30	411.35	540.38	540.38	0.1	1.85	531.29
Italy (33)	163.25	-1.8	150.54	127.34	217.98	217.98	2.6	1.48	160.43
Japan (445)	93.31	-1.2	86.05	72.79	98.22	98.22	0.5	1.02	94.44
Malaysia (28)	1226.12	2.5	1190.89	958.41	1393.75	1393.75	2.1	1.92	1196.72
Netherlands (20)	468.58	-1.7	423.11	355.50	435.20	435.20	0.9	1.10	472.16
New Zealand (18)	83.52	0.0	85.58	69.54	83.97	83.97	0.4	4.41	83.52
Norway (37)	224.65	-0.5	207.16	175.23	238.87	238.87	-0.2	2.08	225.89
Philippines (22)	37.43	-0.9	80.83	68.20	82.97	82.97	-0.6	0.65	83.21
Portugal (16)	235.73	-1.7	217.30	183.88	258.70	258.70	0.9	1.10	235.73
Singapore (40)	205.30	1.1	188.32	160.14	218.29	218.29	1.2	1.67	203.01
South Africa (35)	197.05	0.9	181.72	153.71	209.53	209.53	0.8	3.54	195.39
Spain (30)	270.16	0.2	241.25	208.74	430.85	430.85	1.1	1.81	265.26
Sweden (43)	536.55	-0.4	467.12	395.12	538.31	538.31	1.1	1.99	505.44
Switzerland (20)	338.78	0.7	356.55	303.26	413.39	413.39	1.6	1.21	386.07
Thailand (31)	20.90	-3.3	19.27	16.30	22.22	22.22	-2.8	2.94	21.61
United Kingdom (201)	381.85	0.2	351.95	297.71	405.82	405.82	0.8	2.74	381.78
USA (612)	514.56	1.5	474.50	401.37	547.13	547.13	1.5	1.28	505.91
Americas (783)	455.72	1.5	420.25	355.48	484.57	484.57	1.5	1.32	448.34
Europe (723)	341.91	0.0	315.29	258.70	363.55	363.55	0.8	2.09	341.76
Europe Ex UK (681)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany (18)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France (11)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan (7)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa (3)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden (4)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland (5)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand (6)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom (7)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA (8)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia (9)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria (10)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium (11)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada (12)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark (13)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland (14)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece (15)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China (16)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia (17)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia Ex Ireland (18)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia Ex Ireland Ex Italy (19)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia Ex Ireland Ex Italy Ex Japan (20)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia Ex Ireland Ex Italy Ex Japan Ex Malaysia (21)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia Ex Ireland Ex Italy Ex Japan Ex Malaysia Ex New Zealand (22)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia Ex Ireland Ex Italy Ex Japan Ex Malaysia Ex New Zealand Ex Norway (23)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia Ex Ireland Ex Italy Ex Japan Ex Malaysia Ex New Zealand Ex Norway Ex Philippines (24)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia Ex Ireland Ex Italy Ex Japan Ex Malaysia Ex New Zealand Ex Norway Ex Philippines Ex Portugal (25)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76
Europe Ex UK Ex Germany Ex France Ex Japan Ex South Africa Ex Sweden Ex Switzerland Ex Thailand Ex United Kingdom Ex USA Ex Australia Ex Austria Ex Belgium Ex Canada Ex Denmark Ex Finland Ex Greece Ex Hong Kong, China Ex Indonesia Ex Ireland Ex Italy Ex Japan Ex Malaysia Ex New Zealand Ex Norway Ex Philippines Ex Portugal Ex Singapore (26)	341.91	-0.1	315.29	258.70	363.55	363.55	0.8	1.85	341.76</





# COMPANIES FT MARKETS

Weekend March 6/March 7 1999



RECORD OFFERING WILL HELP US GROUP FINANCE \$48bn TCI PURCHASE

## AT&T expected to launch \$10bn bond

By Richard Waters, Khazem Merchant and Arkady Ostrovsky

AT&T, the US telecommunications group, is expected to launch a bond of up to \$10bn to help finance its \$48bn acquisition of cable group TCI, in the largest corporate bond issue to date.

The offering could come as early as next week and would comfortably exceed the previous highest offering, a \$6.1bn bond launched last August by WorldCom to help finance its \$37bn takeover of MCI.

Salomon Smith Barney and Merrill Lynch are understood to have been awarded the mandate to lead manage the issue, although neither they nor AT&T would comment.

Salomon Smith Barney was the lead manager for the WorldCom offering and a \$6bn bond from Sprint in November, the second largest corporate bond offering to date.

Bankers said the conditions for launching dollar denominated paper were positive, following a sharp U-turn in the US treasury market. After several weeks of a continued sell-off, US treasuries rallied nearly two points yesterday as fears of the Fed raising interest rates began to recede.

Bankers said the markets would be able to absorb such a large volume. "The markets have demonstrated that for the right deal a very substantial amount of funds can be mobilised," one banker said.

A wave of big mergers in the telecommunications industry, and the heavy capital investment needed to build new wireless and data communications networks, have produced a state of giant bond issues in recent months.

Companies once had to offer investors a higher interest rate to sell such large volumes of bonds, said Tom Aust, senior telecoms analyst at Chase Manhattan. Now, he added, "that has been turned on its head". Investors prefer to own bonds that are part of a very large issue, since the securities

are more likely to trade actively and so are easier to buy and sell. That, and the current state of the US corporate bond market, were expected to produce considerable demand for the new AT&T securities, analysts said.

The recent rise in bond yields, which makes it more expensive for companies to borrow, had led many to delay raising money - a factor which had added to the amount of cash that investors have available to buy new bonds, said Mr Aust.

Many investors had also held cash in reserve in anticipation of the AT&T issue, which had been widely expected, he added.

The fact that the US carrier has been absent as a significant borrower in the capital markets for some time is likely to help it sell such a large block of bonds.

With its takeover of the highly leveraged TCI, however, it is now expected to use the bond market more frequently.

## Adelphia buys cable operator Century for \$5.2bn

By Christopher Parkes in Los Angeles

Adelphia Communications of Pennsylvania rose to the top ranks of the US cable TV industry yesterday with the \$5.2bn acquisition of Century Communications, a leading operator in the west.

The move is Adelphia's second substantial purchase in two weeks and establishes the company as a prime candidate for partnership with a telecoms group similar to the model established by AT&T's impending merger with Telecommunications Inc, the nation's second largest cable group.

With TV cables passing every urban home in the US, and upgrading to high-capacity digital standards under way, the underground systems are seen as the most efficient way of bundling a range of telecoms, internet, home security and entertainment services.

Yesterday's deal followed a \$2.1bn agreement in February to purchase FrontierVision, a strong in the east. It will increase Adelphia's subscriber base to 4.7m and promote the group to fifth largest in the US, with about 40 per cent of the customer base served by Time Warner, the industry leader.

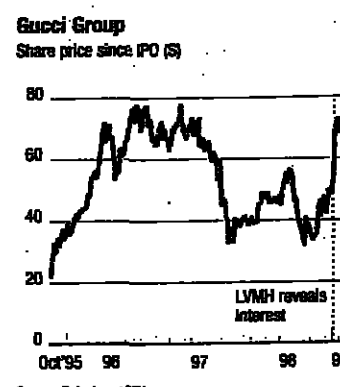
Although Adelphia said it intended to remain independent - and consolidation in the industry is continuing - there is strong interest among telecoms companies in cable operators connected to large "clusters" of consumers in single regions.

Buying Century with a stock, cash and debt package will add 1.6m subscribers to Adelphia's rolls, mainly in California and Colorado. FrontierVision's main networks serve about 700,000, most of them close to Adelphia's original centre of operations in New England and Virginia.

The transactions, valued at about \$3,000 for every subscriber, are likely to spur further interest in smaller operators. Many local cable pioneers are nearing retirement while newcomers such as Charter Communications are building their businesses.

## THE LEX COLUMN

### Fashion victim



Source: DataStream/FT

The tussle between Gucci and LVMH might be seen in some quarters as an amusing clash of egos in the puffed-up world of fashion. But neither set of shareholders should be laughing. LVMH has spent about \$1.3bn in building its Gucci stake to 34.4 per cent. It has little to show for it. The average price of nearly \$70 a share represents a premium of more than 50 per cent over last year's average. Far from gaining a value-creating agreement, it has seen its voting rights threatened by Gucci's defiance. The best it can hope for now is that by freezing its stake for a year or more, it can gain a restricted seat on the board and very limited trading co-operation.

At least it could then equity account its stake. If Gucci's operating profits reach \$300m in 1999-2000, LVMH's after-tax return would approach 5 per cent - hardly impressive, but better than the measly dividend yield. To justify this investment, Bernard Arnault, chairman, will have to credit his Gucci adversaries, Domenico de Sole and Tom Ford, with creating a double-digit growth stock.

Gucci shareholders have less initial cause for unease. The stakeholder's first Prada then LVMH, have rescued its share price. But in the absence of a full bid, the floor under it could subside to nearer \$60 than \$70. They may have stopped LVMH's creeping control, but they cannot make it pay \$80-90 a share to take full control. And Mr Arnault's failure to win over Gucci's top people makes it far too risky for him to move.

before the buy-out house piled in? It would have been better to have released the results first, allowing the market price to adjust, and then to have done the deal with KKR. After all, it is hard in retrospect to know how much of yesterday's share price rise was attributable to TI's results and how much to KKR's emerging on the scene.

Quibbles aside, the overall logic of having KKR on board is attractive. The idea that KKR will bring a higher quality of market intelligence to TI's notice than transaction-driven investment bankers has a ring of truth. And Mr Kravis's board seat certainly gives TI teeth. How long it will remain a public company must be in doubt. For if Sir Christopher Lewinton, TI chairman, did decide to take it private, he could not hope for a better buy-out partner than KKR.

If TI does stay quoted, with US shareholders now holding 25 per cent, a US listing may soon be on the cards. However, as TI is clearly having little trouble attracting US capital, this may only marginally increase demand for its shares. One small mercy, however, is that Sir Christopher is not hell-bent on a wholesale LucasVarity-style domicile shift.

### United News & Media

Despite some modest housekeeping, United News & Media remains a ragbag of businesses. Unfortunately, yesterday's results show it is no longer firing on all cylinders. Earnings per share growth has virtually stalled at 1.2 per cent, even though headline revenues managed double-digit growth. Floating its Garban money-broking business was a reassuringly shareholder-friendly move. But the tidying up should go further still, with Express Newspapers an ever more obvious candidate for disposal now the regional papers have gone.

Given that United has underperformed the media sector by nearly 30 per cent since the start of 1998, shareholders have every reason to be restive. Improving odds on a soft landing for the UK economy - where United still makes around 40 per cent of its profits - will lighten the outlook somewhat. But United's continuing exposure to the advertising cycle for around half of total revenues will slow top-line growth in 1999. On a 30 per cent price/earnings discount to the market, that seems fairly reflected in the shares.

## KKR takes 4.9% stake in UK engineering group

By Peter Marsh and Richard Rivlin

Kohlberg Kravis Roberts, the US investment group, has bought 4.9 per cent of TI, the UK engineering group, for \$94.4m (\$151m).

The deal signals TI's plans to step up its global expansion. Henry Kravis, a KKR founding partner, will join TI's board and help the company identify bid targets, mainly in the US and Europe.

The move also underlines KKR's interest in increasing its activities in Europe. KKR, one of the largest New York private-equity groups, has announced plans to set up a \$3bn European buy-out fund by the summer.

KKR's stake in TI was arranged through an issue of 23.5m new shares by the UK company. They were placed with KKR on Wednesday at \$4 per share, the day's closing price.

Several large US investment

groups, attracted by the closer integration of European economies, have been signalling their eagerness to increase investment in Europe.

Sir Christopher Lewinton, TI chairman, said KKR's involvement was "positive and exciting" and would help TI develop its global businesses. TI spent \$750m on takeovers last year.

Mr Kravis said his group was "very impressed" with TI's "clear strategy" and expressed confidence in its senior management. While KKR has an option to increase its stake to 9.9 per cent, the move is seen as a long-term investment, not a prelude to a takeover.

TI declined to discuss specific takeover targets, but saying it would be keen to bid for the aerospace interests of LucasVarity, the UK engineering group being sold to TRW of the US, should these become available.

Sir Christopher said he wanted to double TI's aerospace parts sales, which account for about a quarter of its \$2.2bn annual revenues, in the next few years.

Since its formation in 1976, KKR has spent tens of billions of dollars on investments. Famous deals include Duracell, which it bought for \$350m in 1988 and sold to Gillette in 1996 for \$3.7bn. Last July it took Willis Corroon, the insurance broking business, private in an \$851m deal. It has retained the management and is looking for further acquisitions to add to the business.

TI hopes the deal will boost its shares, which have underperformed the London stock market over the past two years. It also announced yesterday a 3 per cent increase in pretax profits for last year to \$228.7m. The shares closed up 34p at 445p.

See Lex

### Companies in this issue

ABN Amro	23	Banca di Roma	23	Kohlberg Kravis Roberts	24
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Air Do	23	Goldman Sachs	23	Rabobank	23
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BMW	5	Japan Air Systems	23	Skymark	23
BNA	23	Japan Airlines	23	TCI	24
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### Markets Latest

FTSE 100	4,956.5	(+104.1)
Yield	3.59	
FTSE Europe 300	1,941.2	(+28.72)
FTSE All-Share	2,940	(+17.54)
Nikkei	14,894	(+110.55)
New York S&P 500	1,059.19	(+19.79)
Dow Jones Ind Ave	9,059.19	(+19.79)
S & P Composite	1,957.22	(+20.68)
LONDON MONEY		
3-mo Interbank	5.5%	(5.5%)
Libor 6m (4m)	11.5%	(11.5%)
US LUNCHTIME RATES		
Federal Funds	4.75%	(4.75%)
3-mo T-bill Yld	4.85%	(4.85%)
Long Bond	5.5%	(5.5%)
Yield	5.5%	(5.5%)
NORTH SEA OIL (Angus)		
Grant Dated	\$11.10	(11.22)
GOLD		
New York Comex	\$289.5	(289.4)
London	\$289.45	(287.95)

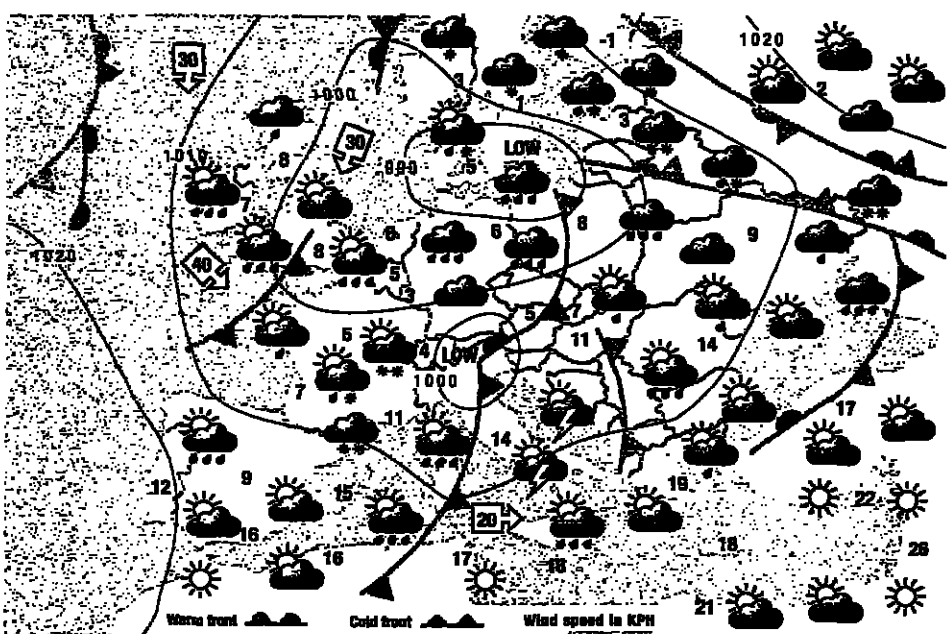
### Weather

#### Europe today

Low pressure will dominate with associated frontal systems and troughs bringing showers or longer spells of rain and sleet to many parts. Much of Scandinavia will be below freezing with snow flurries in places but Denmark and southern Sweden will have rain and sleet. Western Europe will have showers with snow over the Alps and Pyrenees. The central Mediterranean and the Balkans will have thundery downpours but the far east will be sunny and warm. Eastern Europe will stay mild, but a band of rain and sleet will affect the area from Poland to the Ukraine.

#### Five-day forecast

Another frontal system will bring milder air into western Europe early next week but also heavy rain, with thunder across the Iberian Peninsula. Europe will have rain on Monday and Tuesday but Greece will be dry and sunny, a little cooler than recently.



#### TODAY'S TEMPERATURES

Abu Dhabi	Sun	22
Accra	Fair	33
Algiers	Shower	16
Amsterdam	Shower	6
Athens	Shower	10
Atlanta	Shower	20
B. Aires	Rain	27
Bham	Shower	7
Bangkok	Shower	35
Barcelona	Sun	14
Belfast	Fair	10
Bombay	Shower	15
Buenos Aires	Fair	19
Calcutta	Fair	21
Cairo	Fair	19
Cardiff	Fair	17
Chengdu	Shower	15
Chicago	Shower	4
Cologne	Fair	6
Dallas	Fair	24
Dakar	Fair	24
Dahlg	Fair	22
Dubai	Fair	24
Dublin	Fair	7
Durham	Shower	11
Edinburgh	Sleet	5
Frankfurt	Fair	20
Geneva	Rain	16
Glasgow	Fair	8
Hamburg	Rain	5
Helsinki	Shower	1
Hong Kong	Fair	22
Houston	Fair	27
Indianapolis	Fair	16
Jakarta	Thunder	32
Jersey	Shower	7
Johannesburg	Thunder	32
Karachi	Cloudy	27
Kuala Lumpur	Rain	20
Las Vegas	Fair	12
London	Cloudy	28
Los Angeles	Fair	12
Lyons	Fair	8
Madrid	Fair	17
Manchester	Shower	7
Maracaibo	Thunder	21
Medan	Sun	27
Melbourne	Fair	20
Mexico City	Sun	27
Miami	Fair	27
Montreal	Fair	16
Moscow	Shower	2
Mumbai	Shower	8
Nairobi	Fair	30
Naples	Thunder	13
Nassau	Sun	28
New York	Sun	18
Nice	Fair	11
Nicosia	Sun	22
Oso	Shower	5
Paris	Shower	5
Pern	Sun	28
Prague	Shower	7
Rangoon	Fair	36
Reykjavik	Fair	2
Rio	Thunder	14
Rome	Rain	11
S. Francisco	Rain	10
Seoul	Thunder	30
Singapore	Sun	27
Stockholm	Sleet	1
Strasbourg	Shower	7
Sydney	Sun	29
Taipei	Fair	18
Tampere	Fair	14
Tel Aviv	Fair	14
Tokyo	Fair	14
Toronto	Snow	2
Vancouver	Fair	7
Verona	Shower	9
Vernon	Fair	5
Warsaw	Shower	8
Washington	Rain	12
Wellington	Rain	20
Winnipeg	Snow	7
Zurich	Fair	4



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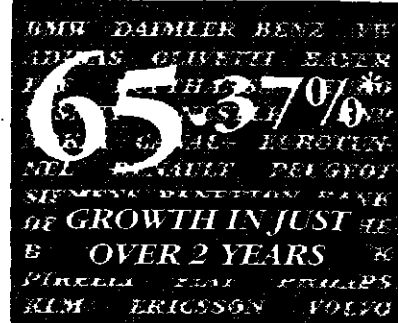
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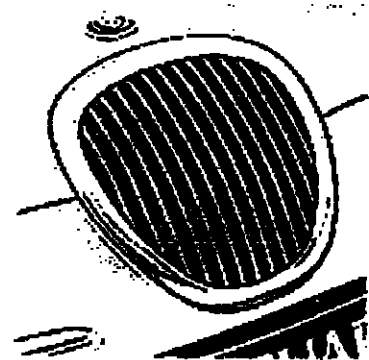
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Jaguar's new cat  
'It felt absolutely right  
when I slid behind its wheel'

Page XVII



Nick and Nora  
A sense of humour  
begets a sense of style

Page XI



White brigade  
'Snowdrops are  
on my mind'

Page XVI

# Putting a price on barbarity

Aggressive campaigning to win compensation for Holocaust victims is provoking moral turmoil and could inadvertently help to foster anti-Semitism. Richard Wolffe reports

A plain cardboard box in the US Holocaust Memorial Museum in Washington holds a sheaf of hand-written papers and a photograph album belonging to Lorenz Schmulh.

Schmulh was the first US commander of the liberated concentration camp at Buchenwald. His official reports coldly record everyday problems such as the search for water and the increased rations needed to feed the starving survivors.

But his personal papers - which the war veteran's family wanted to throw out after his death - tell a starkly different story of revenge and despair. One passage reads: "Some of the inmates have gone out into the nearby woods and have captured some of the former SS guards. They bring some in dead, others beat up so they will die. They give them the kind of treatment they used to get. Have tried to stop the killing but to no avail."

More than 50 years on, with the horrors of the Holocaust still possessing the power to disgust and dismay, a new generation is searching for a different kind of justice.

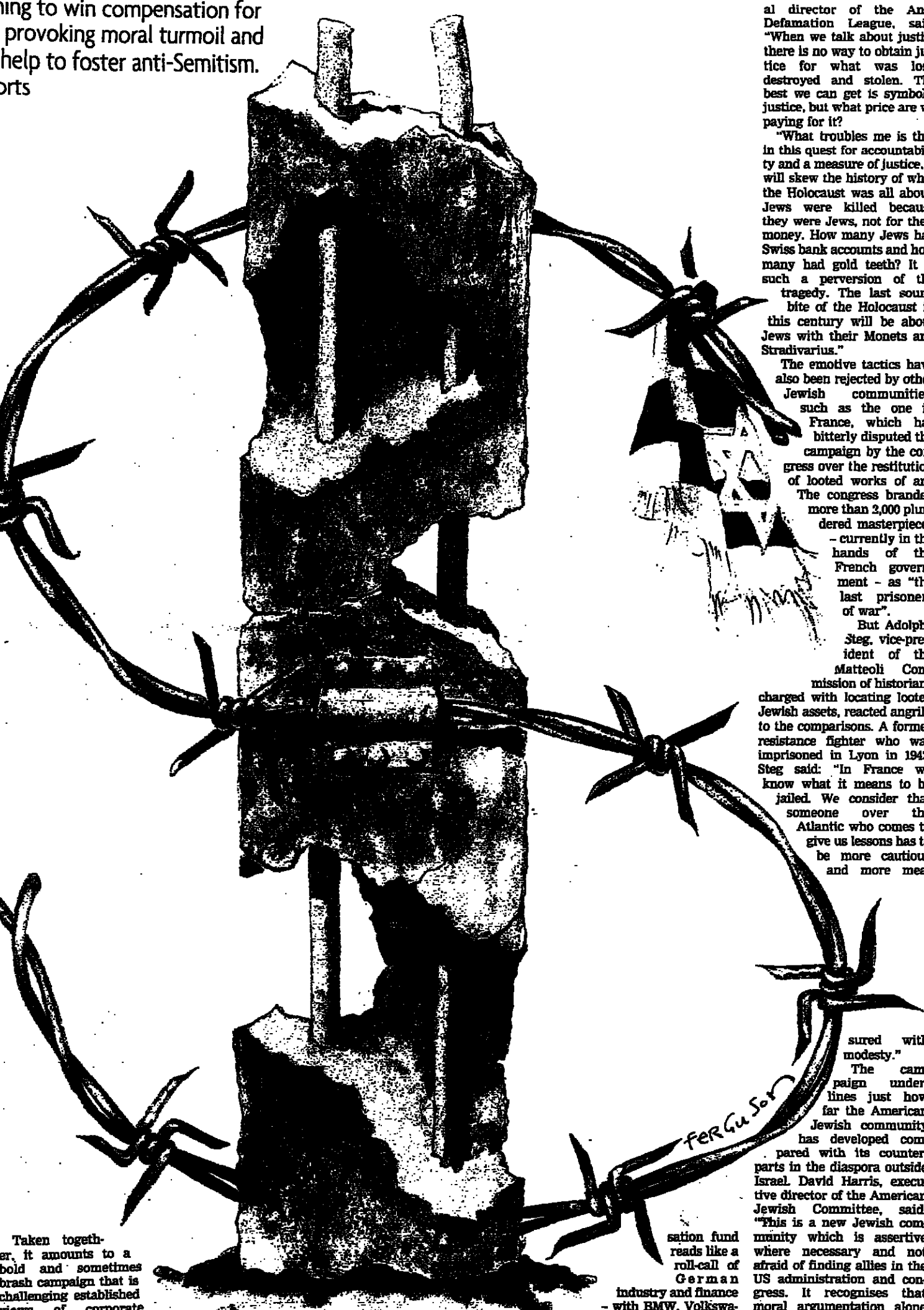
But today, a worldwide campaign to compensate Holocaust survivors has become engulfed in its own moral turmoil. In particular, the campaign has sparked a highly public debate involving the oldest anti-Semitic theme of all: money. Did the Nazis kill the Jews for their money and can money ever repay the crimes of the Holocaust?

What started with the hunt for victims' accounts in Swiss banks in 1995 rapidly escalated into an effort to return looted art to its original owners and their heirs in Austria and France. Finally this year, the campaign turned to its ultimate target - to win restitution from German companies that profited from looted Jewish assets and slave labour in concentration camps.

For survivors, the campaign underlines how the Holocaust represented more than just the destruction of Jewish life across Europe. Miles Lerman, chairman of the Washington Holocaust Memorial Council and a survivor himself, said: "It was not coincidental that IG Farben or any other industrial complex in Germany settled themselves around Auschwitz-Birkenau. They were getting labour for 10 cents a day."

"We are interested not in the dollars and cents but the fact that it was by design. They were trying to utilize and benefit from every aspect of the prisoners. First, their labour, then they were gassed for their hair, their gold teeth and even their bones were crushed and used as fertilizer."

Armed with such evidence - much of it from archives opened after the end of the cold war - the leaders of the various restitution campaigns have taken an aggressive stance. Jewish groups in the US have threatened economic sanctions against German and Swiss companies and embarrassed their directors into settling claims. Class action lawyers representing "tens of thousands" of camp survivors are preparing lengthy legal action in Brooklyn, New York, towards the same goal.



Taken together, it amounts to a bold and sometimes brash campaign that is challenging established views of corporate morality, Jewish politics and Holocaust history.

At its centre is a sprightly Brooklyn rabbi who leads the small but influential World Jewish Congress. Israel Singer has been credited with spearheading the public fight for compensation and insists the struggle involves far more than money.

"I don't want to enter the next millennium as the victim of history," he said. "Himmler said you have to kill all the Jews because if you don't kill them, their grandchildren will ask for their property back."

Singer's aim is to reconstruct an image of Jewish life before the war, one that will drive out visions of emaciated concentration camp prisoners in their striped uniforms.

"I want to know how they filled their libraries and their homes with paintings. I want to paint a picture of the Jew before the war properly, not as a victim but as a society. This is our project - to take these people and

retire-general, whom it accused of lying about his role as a Nazi officer. The single biggest target is now Deutsche, which last month admitted it had helped finance the building of Auschwitz. The admission came as New York regulators - prompted by the congress - threatened to block the bank's proposed merger with Bankers Trust of the US over its Holocaust record.

Yet, in spite of the successes, some Jewish leaders have questioned whether the funds represent much more than blood money. They fear that the high-profile campaigns have aggravated latent anti-Semitism, pointing to the backlash in Switzerland. There, Swiss bank negotiators were accused of succumbing to moral and emotional blackmail from the Jewish group and there was dark talk of an international conspiracy against the Swiss.

Abraham Foxman, national director of the Anti-Defamation League, said: "If we are going to have a global economy, including South Africa, Cambodia and Bosnia, then we as a world need to establish what international humanitarian principles we are going to hold everyone to, as a minimum."

"I want to establish the principle that there are fundamental human rights recognised on an international basis that no government and no corporation can evade, and will be held accountable for, regardless of the passage of time."

However, the lawyers have themselves become bogged down in a moral quagmire. While most lawyers acted

practical need for the cash, according to survivor groups. Although Germany has already paid more than DM98bn (£33.2bn) to survivors, the ending of the cold war revealed that thousands in the former Soviet bloc had never received any compensation. Others lost their claims because they have lived under false identities, which they originally adopted to escape from Nazi persecution.

For many, the issue of money is largely symbolic. Stuart Eizenstat, the US undersecretary of state who has spearheaded the investigation into Holocaust assets, said: "There is a real diffi-

free of charge in the Swiss bank negotiations, many - including Hausfeld - are now seeking fees from any settlement with the German companies. "We are trying to keep it in single-digit percentages if possible," Hausfeld said.

For Holocaust survivors, the lawyers' fees and tactics are little short of reprehensible. Roman Kent, chairman of the American Gathering of Jewish Holocaust Survivors, said: "When we have lawyers running around from one country to another trying to ambulance chase, then of course it gives people the wrong sense of what the Holocaust was and is to be."

"From my point of view, if the lawyers want to help us, that is one thing. But if they want to work on a contingency basis then it has no place in this. You just see the glimmer of gold in front of the eyes of the lawyers."

But can money serve any purpose in the case of the Holocaust? There is at least a

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BODY AND MIND



Kitty Campion: 'Each week [the course] concentrates on one organ of elimination - colon, lymph glands, lungs etc'

# Cleaned up from the inside out

Jerome Burne begins a column on bodily health by visiting a clinic which aims to remove every vestige of toxin and create a revitalised you

How would you like to get really clean? Not just surface clean from stepping out of the shower, but deep-down, inside-purified, new-born clean. All the gunk, residue and toxins lurking inside your body from too many late nights, junk food, binges and careless living, sluiced away; a new you emerges.

We are not talking carrot and lettuce leaves for a weekend. This is the triathlon of detoxification. Seven weeks of hard slog and determination.

You will be eating mainly raw food, you will do some meditation and yoga, there will be massages to stretch you, loosen you and drain your lymph glands, individually prescribed herbal medicines and yes, you will be colonically irrigated.

The Kitty Campion total detox is not for the faint-hearted. You either have to be desperate - chronic problems that nothing else will shift - or the type who revels in the kind of physical challenges encountered in say, trekking in the Cairngorms in January.

Even so Campion has never been short of clients. For years she has been cleansing the brave around Stoke-on-Trent - 13,000 of them - and last month she brought her distinctive brand of naturopathic boot camp to London.

Face to face Campion is no sergeant-major. She is a soft-

ly spoken woman, just turned 50, who looks as if she might be a retailer rather than the dominatrix of dieting.

In fact, during the early 1970s she ran a very successful business selling herbal skin-care products. "At one point, I was running neck and neck with Anita Roddick [of The Body Shop]," claims Campion, "but I wasn't mixing with the right stockbrokers."

Instead she was also reading modern American poetry at Keele University. The leap from text to thyme happened in the British Museum. "I would get so bored researching some obscure writer, that I would wander round the manuscript room," she says. "That's when I became entranced by the pictures in old herbals and began mixing up simple remedies."

As her business flourished, she became more interested in the healing side, and earned enough to put herself through a herbal medicine course as well as learning various forms of massage.

"I also developed a passionate interest in the bowels, which would bring dinner parties to a halt. They are the foundation of health"

Although she walks on the wild side as far as healing and health are concerned, she does it in such an intelli-

gent and practical way that you can't but be drawn along with it. First step for clients is to supply a detailed personal history. "I want to know your ancestry, who you live with, everything about your heart's desires," she says. Next step is to go eyeball-to-eyeball with her over the Iridology machine.

This is an expensive piece of equipment that takes high-resolution pictures of the iris. The idea is that weaknesses and problems in the body show up in patterns and discolorations in

'I developed a passionate interest in the bowels, which would bring dinner parties to a halt. They are the foundation of health'

the iris of the eye. If you divide the circle of the iris into segments, so the theory goes, then each one represents a different part of the body.

Conventional doctors will have no truck with it but Campion's line is that, while it is not very good at showing up current diseases, it is brilliant for highlighting structural weaknesses - spotting where problems are likely to emerge. "It'll tell if you are the sort who can drink and smoke and live to 100 or if you are the type who, even if you are very careful with your health, are

still going to get colds and pulled muscles."

For a snapshot of your state of health she relies on another piece of computerised technology called Vega Expert testing. This is, if anything, even further beyond the medical pale than Iridology, being based on a mix of electrical pulses, acupuncture meridians and homeopathic remedies. A painless probe to one toe sends a very weak electric current along one of the energy lines in your body that acupuncturists use. The

banned such instruments, although they are widely used there. As far as I know there have been no proper clinical trials of them.

Once all the diagnosis is done, it's time to work out the personalised treatment plan. "The course lasts seven weeks," says Campion. "Each week concentrates on one organ of elimination - colon, lymph glands, lungs etc. The last week you go on a really intense juice fast and have two treatments a day."

These treatments include herbal medicines in "heroic doses", exotic forms of massage such as Chinese Tuina, lymphatic drainage and Reiki and colonic irrigation.

And of course you can't have tea, coffee, alcohol or meat and you are eating largely raw food.

I did warn you this was tough, but Campion offers lots of support as well. "We only take on 10 people at a time so there is massive support for one another. I'm aware of how isolated and lonely even the busiest and most successful people can be."

Often the group provides the kind of support that people are not getting elsewhere. Campion explains the logistics. "We ask people to come in for classes if they can. The first one is at seven in the morning and the last one at nine to fit round the working day."

West led 44 which ran to East's A4. East returned Q4 and South won with his K4. To succeed, declarer now needs the next eight tricks. If he loses the lead, he will be down immediately.

Success seems to rest on finding one of two finesses right: hearts or clubs can produce the required extra tricks. But which finesse should you take? There is no evidence from the auction or from the play to date. So, is it a guess?

The answer is that if you merely take a finesse it is a total guess - but there is a better line. With eight clubs between your hands, it is worth cashing 4AK first to see if Q4 will fall doubleton. If it does not, you can then rely on the heart finesse. In this way, you are adding a 40 per cent extra chance on top of your finesse.

As the cards lay, when declarer opted to take the club finesse, he lost to Q4. He was momentarily relieved to find that the heart finesse was wrong also but, ultimately, very frustrated that he had missed the winning line. Combining chances in this way frequently provides solutions to problems which appear to be just guesses.

Preparing for the first of a series of friendly challenge matches in South Africa in February, my English team relaxed in the magnificent surroundings of The Cellars-Hohenort Hotel in Constantia, just outside Cape Town. Worriedly, our practice sessions revealed that there was, perhaps, too much relaxation...

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## BRIDGE PAUL MENDELSON

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## PSYCHE YOURSELF UP

# The mother of talk therapies

Andrew Derrington explores and interprets the family tree that is Freudian analysis

Psychoanalysis, Freud's brainchild, is the mother and father of talking therapies - in its style as well as in its family tree. You lie on a couch and talk. You say whatever comes to mind. The therapist comments on and interprets what you say. The recurring themes and the gaps in what you say reveal to the therapist the workings of your unconscious mind. "It's like a black hole in outer space," says Lesley Murdin, who trains psychotherapists at the Westminster Pastoral Foundation in London. "You don't see it but you know it's there because the stars you can see are circling around it."

The black holes of the mind are repressed unconscious memories of unresolved conflicts, frustrated desires and unfulfilled relationships. They may emerge in safe symbolic forms, particularly when we dream. But normally they lurk unseen, influencing our actions and feelings. The analyst interprets this influence to enable us to understand and resolve these ancient conflicts.

Infancy and childhood are very important; desires often develop before the capacity to satisfy them. The Oedipus Complex looms large here. This is not just about marrying your mother and killing your father or vice versa. It symbolises the tension in any relationship - by drawing close to one person you exclude others. You may suffer when other people exclude you.

Revealing the black holes in your unconscious helps you understand your problems, but transference - replaying traumatic events with the therapist as a protagonist - takes the process further. Freud initially regarded transference as a nuisance and tried to prevent it. Patients fix on the analyst and draw them into their conflicts. This distorts the analysis but it allows the therapist to replay the conflict and guide it towards a more satisfactory conclusion. Transference is now central to the Freudian approach.

Analysis is not for the faint-hearted. Sessions are 50 minutes a day, five days a week for three years or more. You may feel worse before you feel better. You may still be miserable at the end of it, but you will have an understanding of why you feel that way. Even Freud only aimed "to transform neurotic misery into normal human unhappiness". If you just want to be happy there are other, less demanding therapies to try.

Rigorous evaluations of the benefits of any psychotherapy are rare - standardisation and measurement are impossible. This has tempted some insiders to claim that analysis is beneficial for

everybody, sick or well. Outsiders are less enthusiastic, but even sceptics acknowledge the value of Freudian therapy for special groups of patients, such as disturbed adolescents.

The variations and modifications of Freud's practices and theories are impossible to count. The most important purely practical distinction is between psychoanalysis, which is typically five sessions a week and always uses a couch, and psychotherapy, which may be as little as one session a week and may be conducted with the client sitting face to face with the therapist. Theoretical differences range from refinements by people who see themselves as continuing Freud's tradition, to radical changes, by those who have set up schools of their own.

Given all these variations, it may be better to begin by choosing a therapist or analyst who works in a way that suits you. Unfortunately, there is no

I SUPPOSE DEEP DOWN I'M SEEKING A CLEARER UNDERSTANDING OF MY NEED TO WASTE MONEY ON PSYCHOANALYSIS



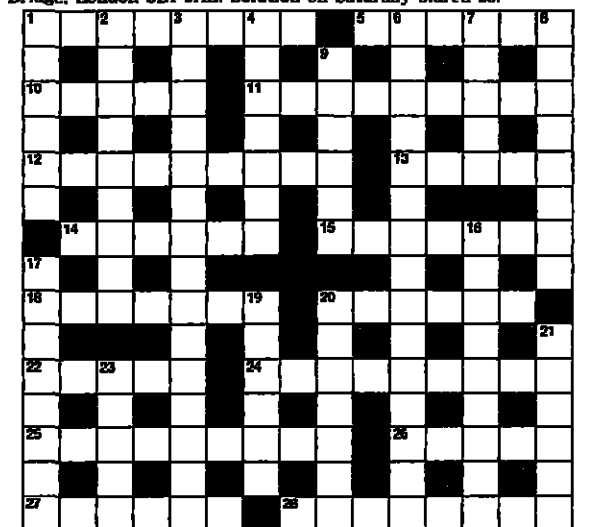
statutory register of practitioners in the UK, although there are voluntary registers with agreed codes of practice (see the contact list below). Friends or GPs can also be useful sources of recommendations. The American Psychoanalytic Association has an excellent website which allows you to contact therapists by email. The cost of therapy is also variable: full cost in the UK is between £30 and £60 a session, in the US the range is \$125 to \$175 for a 45-minute session. But training institutes and charities have low cost schemes for those who find the full fee difficult, and individual therapists will often negotiate a lower fee rather than turn away a client in need.

■ **Contacts:** British Confederation of Psychotherapists <http://www.bcp.org.uk/>; Tel 0181-530 5173; Fax 0181-452 3694. British Psychoanalytical Society <http://www.psychoanalysis.org.uk/>; Tel 0171-580 4952. UK Council for Psychotherapy <http://www.psychotherapy.org.uk/>; Tel 0171-436 3002; Fax 0171-436 3013. American Psychoanalytic Association <http://www.apsa.org/>; Tel 012 753 0450 Fax 012 593 0571.

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- ACROSS**
- 50% rebate on the field (4,4)
  - Survival of ship in silver paper (6)
  - Traight of note on the field (5)
  - In high spirits about acne being cured after payment (9)
  - Funny text about dog, perhaps, being unselfish (5)
  - Sode - it sounds boring (5)
  - Be like one with 5 in 4 (6)
  - Literary shepherd with twisted gut finds old London airport (7)
  - Our bed's made, as you may have gathered (7)
  - Request money to attack one's protégé (6)
  - One publishing notes on notes such as OBS (6,6)
  - Drink beer with a fan (5)
  - Man of violence: the mistake lies in not taking alcohol (9)
  - The man has everything - except his freedom? (5)
  - Start of Edmund Burke's extraordinary ticking-off (6)

Solution 9,930

CANTER STOCKPOT  
A E L A H R R  
R O W D P E R  
A M N E I R O A  
G R A T I R I A L I G H T  
S I T I O N E R  
A I K A D O G A S T A N  
E A D O T E S R  
E S T A M P E R D O U C H E  
S I T I O N E R  
H E E L A N D I O E A N T I E  
A L P H A B E T  
E L I P S E P R E S I D E N  
T I I A S I L O N  
D I S K E T T E P L A N N E T

- DOWN**
- Take place of a couple of small pipes in a layer (6)
  - Never mind if it's going faster than you? (3,2,4)
  - Somewhat, as angler or shepherd? (2,4,2,5)
  - One's equal could be MC with little change (7)
  - Somewhat, if necessary by the scenic route? (3,3,2,7)
  - Pole put into cinder, in a manner of speaking (5)
  - Stratification for reproduction? (8)
  - See 22
  - Bury almost the whole lot with a spade - it's poisonous (9)
  - Feeder of lines less inclined to delay (8)
  - Some Methodist ill-disposed to make whiskey? (6)
  - London letter? (7)
  - Squidron and turn whiter (6)
  - Scottish and Polish for "cancel"? (5)

Solution 9,919

A P P R O A C H A B L E  
P E E P O A I T  
R E M A D I E S U M M I T  
E A T O S I S  
O S C A R R E M E D I A L  
C A T I P E  
G I R D L E R I A B E R  
U R O A I  
P A C K O E N S O R E T  
A Q U I T U O  
T O A S H E R W I T E  
I E A O A I M D  
O R G A N I C M A S H O N A  
N A G O I I R O U T  
S H O W B U S I N E S S

JP 11/15/50



## PERSPECTIVES

LUNCH WITH THE FT

## A diffident kind of Thatcherite

Although a self-confessed admirer of Margaret Thatcher, shadow chancellor Francis Maude might be happier singing a more subtle tune, says Edward Luce

It is a cliché that lazy journalists often ask cab-drivers for their views and dress the answers up as popular opinion. Conscious of this, I could not resist quizzing my cabbie as we chugged through Clerkenwell in the London drizzle. Did the name Francis Maude, ring any bells?

"Mmmm. Francis Maude, Francis Maude. Is he a game show host?" Certainly not, I said, you're not even warm. "He's not the Archbishop of York is he?" he asked with a twinkle.

Francis Maude is a Conservative member of parliament and the opposite number to Gordon Brown, the chancellor of the exchequer, I said. "Oh I see," said the cabbie, looking crestfallen.

At the end of our meal I asked Maude what he thought of a recent opinion poll that placed him bottom of the list of leading opposition politicians recognised by the general public. In the poll, which, to his credit, Maude turned into a joke at his party conference speech last October, only 6 per cent could name the shadow chancellor correctly while 26 per cent thought the job was held by Kenneth Clarke, the former chancellor.

"Oh dear," said Maude. "I thought you were going to ask me that. Actually," he said, warming to the theme, "that poll did my profile no harm at all. People now remember me as the politician whom nobody recognised." It was a good-natured reply and I felt guilty for having asked. Nevertheless, the question of the Conservative party's unpopularity and its low profile in general, had occupied much of our conversation.

We met at Moro, a Spanish-Moroccan restaurant in Islington, which Maude had chosen. The shadow chancellor, a tall 45-year-old in a blue pin-striped suit, looked every inch the City financier.

Indeed, Maude spent five years as head of privatisation at Morgan Stanley in Canary Wharf, having been given an "enforced sabbatical" from politics when he was defeated in the 1992 election. Ironically it was on the Tories' dark night of May 3 1997 that Maude re-entered parliament through the same revolving door that colleagues such as Michael Portillo and David Mellor were departing.

As we glugged a couple of Moroccan beers, Maude told me about his political philosophy. I had asked what effect five years in business had had on his views. I admit that one of my chief aims was to tease out what I had thought was Maude's pragmatic

nature and then contrast it with the often dogmatic stance of some of his colleagues. The question of Euroscepticism, and the party's often hostile opposition to the UK's participation in monetary union, were at the forefront of my mind.

Maude said his time in the City had only served to strengthen his Thatcherite beliefs. "You can summarise my philosophy in two parts," he said. "First, I have a strong belief in Britain as an entity and in its destiny to be an independent nation within the European Union - but as a nation, as a united kingdom which is very much the product of its own history."

I was beginning to doubt my theory. "The second part is a belief in the small state; small states mean big citizens and stronger societies. You cannot force people to do good through the welfare state; they have to do

it of their own accord."

I was intrigued that he had put Britain, and his sense of Britain's "uniqueness", at the top of the bill. As we polished off our starters - Maude chose the charcuterie and I the crab briki - he elaborated on the theme. He looked discomfited when I suggested it was a straightforward statement of British nationalism. "I reject that," he said.

"We are different from Germans, for example. Germany is based much more on an idea of nationality and on ethnic identity and is therefore less do with frontiers and borders."

"Britain is an island and a mongrel race. Look at me. I am half-Scottish, half-Welsh and I have lots of Huguenot blood in me. We're just different and we have to recognise that as a starting point."

The doubt was obviously written on my face. "Look, we've had a thousand years of not being invaded and no seriously revolutionary upheavals," said Maude. "This country has different needs and has developed its own institutions to cope with them."

Still a little nonplussed by this plea for British exceptionalism, I moved the conversation on to European monetary union. We

had also moved on to our main courses, lamb for Maude and tuna for me, and a second round of North African beers.

Maude trotted out the party line on the UK and the euro. While he wished the "project" well, he could not make a strong case for Britain joining. And behind it all, Maude said he detected an unequivocal move towards European political union. I suggested the Conservative party's hostility to Emu came from the heart and not from the head and was therefore not susceptible to argument.

Maude took this as an opportunity to excoriate Tony Blair and his government's attempts to "vandalise" the British way of life. "We don't conduct our politics through focus groups if that's what you mean," he said. "I am a Conservative and what I admire in politicians is courage and principle."

"If Tony Blair believes in monetary union he should stand up and make a case for it instead of hiding behind euphemisms. We have a prime minister who one day tells Country Life that he is a rural person at heart and the next day tells the Evening Standard that at heart he's a Londoner."

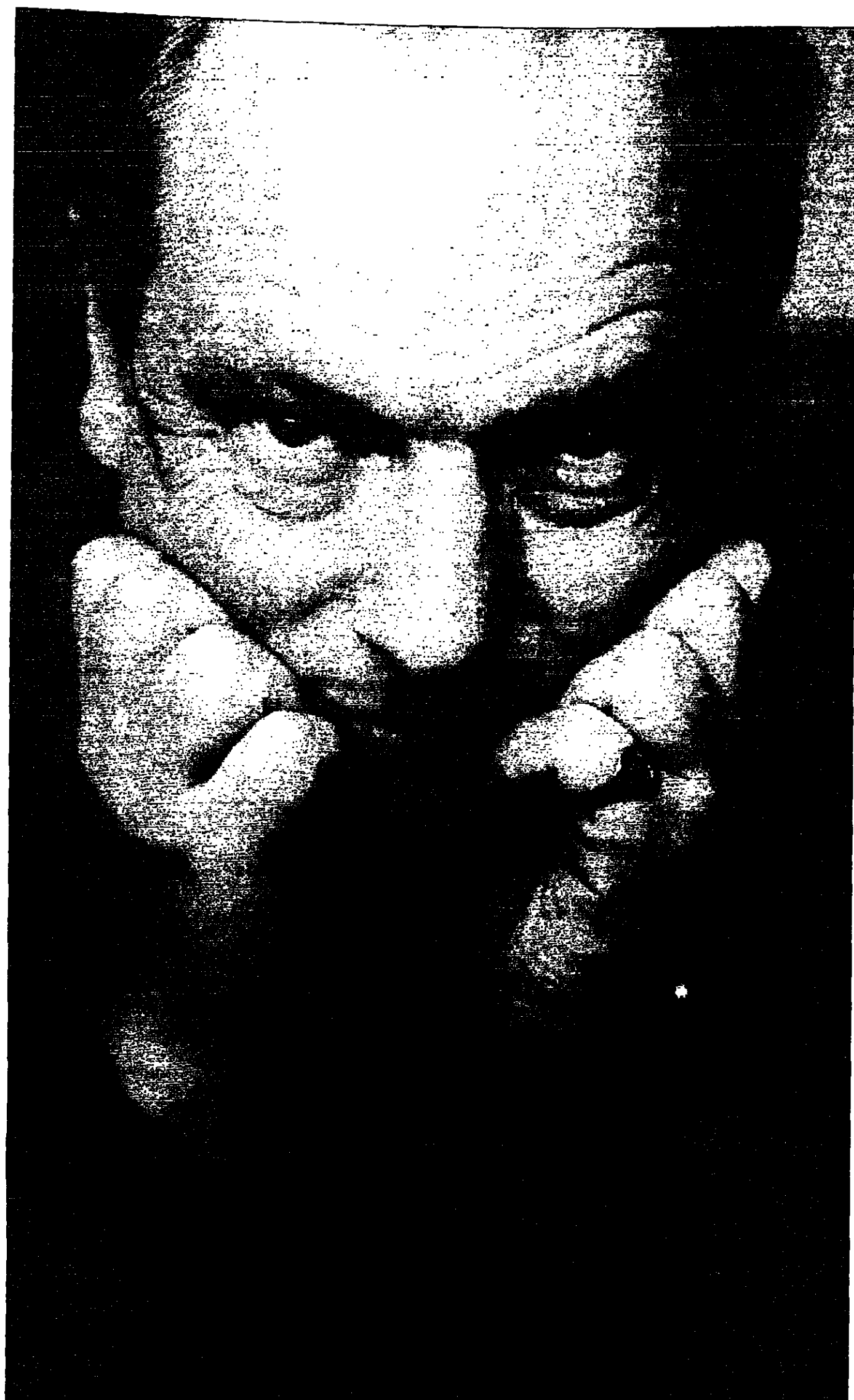
Maude's tone, gentle and, at times, unsure, did not seem to fit with the certainty of his words. I said that almost everyone I knew - a large number of whom would have been natural Tory voters 20 years ago - thought the Conservatives were obsessed with an outdated idea of the nation state that had little practical bearing on people's lives.

Maude looked wistful. "All we can do is say what we believe is right," he mused. "Perhaps time is out of joint for the Conservatives at the moment. I don't know."

In spite of Maude's clear admiration for Margaret Thatcher, it is difficult to imagine her or any of her leading torch-bearers sounding so defeatist. It was at this point that I asked him about that embarrassing poll finding.

"I suppose I could drag my family into politics and invite the press in to take pictures of me and my children (he has five aged between two and 11). But I don't believe in basing politics on image. You have to believe that people will eventually listen to argument and that it is argument which ultimately matters."

I nodded in agreement. But I could not shrug off the suspicion that if circumstances had been a little different, Maude would have been happier whistling a more subtle tune.



Tory in the shadows: 'You have to believe that people will eventually listen to argument and that it is argument which ultimately matters'

Jason Orton

## MODERN LIFE

## Counting the changing cost of eternity

Michael Carlson struggles through the violins to find the true price and hidden status of a diamond engagement ring

The advertisement in the cinema is a symphony of suggestion: romantic black and white setting, fleeting shots of silhouetted lovers moving to the sweeping drive of passionate violins. The strings reach a crescendo, and a ring finds its way on to a finger: a shining golden band sporting a super-nova burst of diamond.

It's a far cry from Jane Russell and Marilyn Monroe singing "Diamonds Are a Girl's Best Friend", but more effective for its understatement. "How else," the voice-over asks, "can a month's salary last a lifetime?"

And though there are probably plenty of fund managers who would jump at the chance to answer that one, the question proposed by the diamond merchants DeBeers is probably causing more than a few young men in the audience to squirm.

If only they knew how lucky they were. Their courting counterparts in the US see the same advertisement, but the voice-over informs them it will take two months' salary to last a lifetime. And in Japan, eternity is three times as dear; the bar has been set at three months, or one-quarter of a year's pay.

Archduke Maximilian of Austria gave what is believed to be the first diamond betrothal ring to Mary of Burgundy in 1477.

But as he did not receive a salary, we have no way of determining how many months went into its purchase.

The engagement ring caught on in the Anglo-Saxon countries, which today constitute the bulk of the market. In the US, UK, South Africa and Australia, more than 80 per cent of women who marry receive engagement rings. The fastest growing market, however, is Japan.

The Japanese took to the custom of engagement rings like ducks to water," says Susan Farmer of DeBeers' Diamond Information Centre. "In Asia, there is an element

of status to jewellery, and I believe they are more emotional when it comes to the commitment."

But is it a question of emotion, or of conspicuous consumption? "Well, males wear jewellery for status in Asia, as they do in America, where 25 per cent of men own their own diamonds. There's a more flash for cash element there."

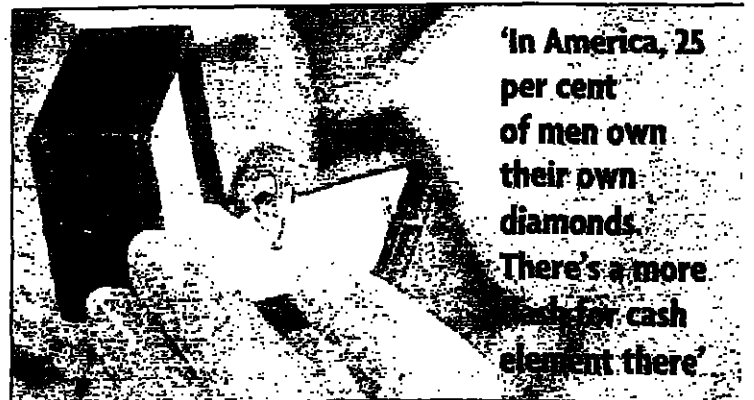
And can one create a similar flash in Britain? Would you be shocked to discover there is no "Lisa Cooper", the print advertisement's bride-to-be

of the month's salary in the 1980s.

"I saw an English tradition which had developed more in America, where the diamond solitaire was an expectation among betrothed women," says Putney.

"But in England, men were still getting parental advice that was generations old, and setting for something that was of no value at all. I merely looked at what people were spending, and what it would take to buy a reasonable diamond."

The different levels of spending



'In America, 25 per cent of men own their own diamonds. There's a more flash for cash element there'

whose fiancé spent "just over" a month's salary for a one-carat "brilliant" ring?

"Well, I think they used real people, rather than models, to pose for some of those adverts," says Farmer. "The women at the agency were quite keen. But the campaign has been a huge success in Britain, in the sense of educating people about buying something they knew nothing about. One jokes about British meanness, but really it was ignorance that meant we had the highest ownership of engagement rings, but the lowest average value."

The man who changed all that was Jeremy Putney, recently retired after 36 years as marketing director for DeBeers. He devised the concept

suggested for different markets reflect more than just inflation.

"It's a mixture of disposable income and an inclination to spend," says Putney. "But it's never straightforward. The Japanese will actually get parental help financially, so the son will be seen to be doing the right thing. It's still like Victorian times for them, when families came together in marriage."

"There may be a hidden status element to the size of the ring, and probably more so in Japan. But that's hardly new."

"Think of all the scenes in films where the fiancée shows off her ring with just a hint of hubris. Given the fragility of modern marriage, isn't the suggestion of a lifetime's value

optimistic? Farmer points out that tradition calls for the ring to be returned if the woman breaks off the engagement, but otherwise she keeps it.

And what if the man's monthly salary is small in comparison to hers? "Well, they have to come to an arrangement," she says.

Putney says the campaign has changed to follow the times. The American print ads now direct potential buyers to a web site, [adiamondisforever.com](http://adiamondisforever.com).

Engagement may be a changing institution, but Putney says couples look for rings that fit their lifestyle and feel comfortable. "I don't miss the old days at all. Goodness knows, most are already living together when they become engaged."

But not necessarily. Britain's latest high-profile wedding united Carla Germaine and Greg Cordell - under the auspices of Radio BRMB in Birmingham. They hadn't met until the ceremony itself.

Should she have had an engagement ring? "I would have thought it appropriate," says Putney, "but I'm not sure the engagement had all the values we expect."

Mike Owen, BRMB spokesman, said they decided against an engagement ring. "The difficulty was not knowing who the bride would be, and what her tastes might be. It is a personal decision, in the end."

But would the radio station have been prepared to spend one month's worth of its profit on a ring for Germaine? "It would be one hell of a ring," admits Owen, "and weigh her arm down a bit. But the Capital Group doesn't actually reveal individual station's profits. A clever jeweller working backwards though would be able to figure it out from the size of the ring."

Radio BRMB did provide the couple with wedding rings, tastefully engraved with the station's letters inside.

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## BOOKS

# Romance with no kisses

Ben Rogers enjoys more scintillating, elusive thoughts from a man as paradoxical as his subject

## THE ROOTS OF ROMANTICISM

by Isaiah Berlin  
Chatto & Windus £20, 192 pages

Millions of words have been spent on Isaiah Berlin over the last 20 years. His death in 1997, as Michael Ignatieff observed in his recent biography, was accorded the sort of treatment usually reserved for statesmen.

His theory of "moral pluralism" has moved to the centre of moral and political debate, invoked in Downing Street and Congress and argued over in tutorials and seminars, theses and academic articles around the world.

It is odd then, that for all of this attention, Berlin remains strangely out of focus. When Christopher Hitchens recently published a long and hostile polemic in the *London Review of Books*, it received hardly any response. This was at least in part, I suspect, because even his most loyal defenders found it hard to know just how to answer it - how to describe exactly what his contribution had been.

Berlin's central doctrines remain vague, his sympathies apparently inconsistent. An Enlightenment Romantic, a cosmopolitan communitarian, a left-wing conservative, an atheist with transcendental longings: these and other equally paradoxical descriptions all seem to fit. His editor, Henry Hardy, has suggested that it is probably too early to assess Berlin's full significance - history will have to be the judge of that. But it is not at all obvious that Isaiah Berlin will ever come into focus. His writings offer a body of arguments and ideas that are brilliant but unstable.

With *Roots of Romanticism*, Berlin's Mellon lectures of 1965, we get another instalment of scintillating, elusive, paradoxical

thought. Delivered in the National Gallery of Washington to great acclaim, recorded by the BBC and broadcast several times, they set out to describe Romanticism by tracing its development.

Berlin acknowledges the many hurdles that stand in his way. All that is unique about Romanticism as an historical epoch evaporates as you approach it: historians have found Romantic ideas in the ancient Greeks, and Classical ideals among the Romantics. It has been characterised as modern and forward-looking, medieval and nostalgic; it is turbulence, violence, conflict, but it is also harmony with the natural order; it is the strange, the exotic, the mysterious, but it is also the familiar, the folk, the everyday; it is essentially Celtic and German, Breton and Provençal; it is right-wing and left-wing, authoritarian and revolutionary;

Romanticism, however, as expressed in the writings of Schiller and Fichte, Herder and Schelling, the two Schlegel brothers, Tieck and Hoffmann, Blake, Wordsworth, Shelley and Byron and many others, offered an alternative intellectual model. At its heart was a vision of the universe as something structured, less and unfathomable, a profound, living, seething, thing, which was bound to escape all human efforts to categorise or control it.

This vision, in turn, transformed the way that the Romantics thought about philosophy and art, ethics and politics. It led to their favouring of myth and poetry over science and prose. It also encouraged the development of an expressionist understanding of values, as a challenge to the older, orthodox cognitive understanding. "You create values, you create goals,

most of the thinkers, ideas and intellectual movements about which he wrote. Turning in the last chapter to the effects of the movement, he suggests, with characteristic airiness, that it fuelled nationalism and, ultimately, fascism.

Perhaps, too, it is responsible for certain strands of nihilism that run deep in modern culture. Yet he ends by arguing that it has bequeathed us one invaluable ideal: by "making clear the existence of a plurality of values", by "driving wedges into the notion of the classical ideal, of the single answer to all questions", the Romantics paved the way to a modern liberal ethic: of toleration and compromise - an ethic in which Berlin himself, of course, passionately believed.

It is fair, I think, to say that every part of the story that Berlin tells here is familiar. The accounts of the contribution of Hume, Hamman and Kant, the suggestion that Romanticism should be understood as a German reaction against the French Enlightenment, the claim that it, in turn, fed into both Fascist and liberal currents, are found in others of Berlin's books and essays, and indeed are worked out somewhat more thoroughly there. Nevertheless, this is a welcome addition to Berlin's ever-growing oeuvre. It is surely right to argue, as Berlin does, that the development he traces here represents one of the greatest (he says "the greatest") shifts in the consciousness of the west that has occurred. In the absence of the larger book he hoped but failed to write on this subject, it is good to have his thinking coherently, or at least plainly, laid out.

The British edition of these lectures includes a CD of Berlin's last lecture, allowing one to read the book as a libretto while listening to the recording. Given that Berlin was speaking from notes rather than from a script - that he was himself libretto-less - it is an extraordinarily fluent performance.

## The effects of the Romantic movement, Isaiah Berlin suggests with characteristic airiness, fuelled nationalism and, ultimately, fascism

bourgeois and anti-bourgeois, primitive and effete. Yet despite the enormous differences in its manifestations, Berlin insists that "there was a Romantic movement": it was principally a German phenomenon of the late 18th and early 19th century, and it executed a very profound transformation upon European moral and intellectual life.

The essence of the shift is this. Before Romanticism it was assumed that there were universal truths, universal canons of art, universal standards to which all human activity had to conform. This was an ideal which found a magnificent expression in the theorists of the French Enlightenment, who believed that human reason alone had the power to unlock nature's secrets.

you create ends, and in the end you create your own vision of the universe, exactly as artists create works of art," as Berlin put it, giving expression to this view. Before Romanticism, people were judged by whether they believed was true or false, but to the Romantics what one believed mattered less than how one believed it. ("What Romanticism did was to undermine the notion that in matters of value, politics, morals, aesthetics, there are such things as objective criteria which operate between human beings, such that anyone who does not use these criteria is simply either a liar or a madman.") Sincerity took the place of orthodoxy as the leading value of the age.

Berlin had the same deeply ambivalent feeling towards Romanticism as he did towards



## Life as a desperate masquerade

Elaine Feinstein on an immigrant Pole who was finally compelled to explore her Jewish roots

### LOSING THE DEAD

by Lisa Appignanesi  
Chatto & Windus £15.99, 240 pages

A table of white linen dominates the early memories of Lisa Appignanesi's immigrant childhood in Montreal. On that table are set bowls of sour-cream-flecked borscht with a hot potato at the centre, chicken soup with barley, sugary lemon tea. Like Eva Hoffman, another writer who has explored her family's history, Appignanesi was born after the second world war to Jewish parents who somehow survived in Poland under Nazi occupation and then left Europe for Canada. Unlike Hoffman, however, Appignanesi grew up without any nostalgia for Poland, and had little curiosity about the world her parents had escaped. Her father was silent, dark and stubborn; her mother blonde, vain, and given to wild stories. Conflict simmered between them.

Yet it was not an unhappy childhood. Although her parents argued about most issues, they spent little time grumbling at

Lisa and her brother's rebellions, and the children shrugged off their parents' memories. It must have been hardest for Lisa. Born with an abundance of dark hair, she learned from her mother that to be "favoured by the gods" it was essential to be blonde. Her mother proudly and insensitively recalled that she herself looked so like a *shiksa* - a gentle woman - that her future mother-in-law could be convinced of her Jewish origins only when she saw her father's rabbinical beard.

What lay behind that pride was her mother's experience of passing as a gentile in Nazi Poland. Appignanesi was incurious about that. When she made her first visit to Poland as deputy director of the ICA, she felt mildly awkward; she could understand enough Polish to make out the asides of the interpreters; and the fact that she was Jewish discomfited her Polish hosts. They in turn began to embarrass her by recounting the risks their families had taken to help save Jewish lives.

Poland in the late 1980s, Appignanesi recognised, was struggling to fit into a western ethos where anti-Semitism was

not tolerated. But should she revise her prejudice that Poles were the most deeply anti-Semitic nation in Europe? As she puzzled over the long history of the complex relationship between Pole and Jew, a need to know the story of her parents' survival took hold of her. Her

## Blondness may have been crucial, but she also needed cunning and chutzpah to find food and lodging

search becomes a quest through archives, cemeteries, and on the streets of Warsaw and Pruszkow, and she takes her reader along as she tries to piece it together.

As the German invasion began, her mother, Hena, was 23 with a baby and ageing parents. Her brother, Adek, who had seen Jewish children heaved into ditches and old men forced at gunpoint to run up hills, was the first to pass himself off as a gentile Pole. He was a fluent

German speaker, daring, quick-witted, and most important of all, blond. He changed his name to Adolf Hisczynski, and forged papers reliable enough to register with the German police.

From April 1940, when the brick walls started to go up round what was to become the Warsaw ghetto, Adek's unlikely gamble was the only chance for any Jew on Polish soil. Hena was then living with the rest of her family in Pruszkow, south of Warsaw, where Jews were already being herded on to trucks for transport. Using her good looks and charm, Hena begged a seat on a coach for her child and herself. The coach was headed for the Warsaw ghetto, but as the bus stopped at the gates, a policeman appeared and took her off "on the orders of Pan Hisczynski". For Pan Hisczynski was by now living in luxury and even entertaining Polish friends. Nevertheless, Hena continued to long for her husband, Aron, whose dark looks made it unlikely he could pass as a Pole and who was lured by then working as a forced labourer.

One cannot help a flicker of speculation about how Adek



Lisa Appignanesi: she takes her reader along on her search for her family's story

could have been making so much money out of his factory; but he used his luck not only to rescue his parents from the ghetto in Warsaw, but to help a succession of in-laws, relatives and friends

thereafter. These people sheltered in a secret room at his factory until a janitor complained about hearing ghosts. After that, Adek moved the family to a small village for

safety; but there was typhus there, and his father died of it. With this loss, Hena decided "she no longer cared for anything, not even a God who would permit such an injustice." Within a few days, Hena, her mother and her child were travelling back to Warsaw to masquerade as Poles.

Her blondness may have been crucial to the success of this deception, but she also needed cunning, shrewdness and chutzpah to find food and lodging. The penalty for a Pole sheltering Jews was death, while there were substantial rewards for handing them over. With astonishing nerve, Hena bearded Polish administrators to demand a place to live, and when Aron found her, she hid him. He would certainly not have got through the war without her.

This book is an exploration of flawed relationships: between Pole and Jew, mother and daughter, the living and the lost. Yet it is chiefly remarkable as a story, beautifully told and permeated with the wisdom of those who survive against all odds. "The worst had already happened and is bound to happen again. In the meantime one is grateful. Grateful for small kindnesses and small generosity. Grateful for the gift of life."

To order 'Losing the Dead' at a special price of £13.99 (inc. UK p&p) call the FT Bookshop on +44(0)181 324 5511.



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by Lewis Wolpert

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FINANCIAL TIMES  
No FT, no comment.

## Small light shining in the shadow of death

Against all the odds, humanity existed in the Nazi concentration camps and the Soviet gulags, writes A.C. Grayling

### FACING THE EXTREME: Moral Life in the Concentration Camps

by Tzvetan Todorov  
Weidenfeld & Nicolson £20, 307 pages

When Adolf Eichmann visited the death camp at Chelmno, where victims were gassed in sealed trucks, he found himself unable to watch the proceedings.

"I didn't stay to watch the whole massacre. I couldn't stand the screams... I fled. I jumped into the car and for a long time I couldn't open my mouth." Later he attended a mass execution in Minsk. "My knees turned to water," he said, recalling how he had seen a woman throw her arms out behind her as she was shot. "I had to leave." He went to Auschwitz. "I preferred not to watch the way they asphyxiated people... They burned the corpses on a gigantic iron grille... I couldn't stand it: I was overcome

with nausea." And Eichmann reports that he was not alone among high Nazi officials who responded in this way. Himmler visited a death camp to inspect it, and had to leave: "he lost his nerve," Eichmann says.

Remember who Eichmann was. He was the self-styled "Jewish specialist" in charge of "Gestapo Department IV B4 for Jewish Affairs", responsible for keeping the trains moving across all Europe to the death camps of the Final Solution. It is a ghastly fact that he could not bear personal witness to the mass murder he orchestrated. Grant that he was somehow incapable of imagining the violence of it from the quiet of his office; but why did he not, when he saw what it meant in reality, cry out in pity and horror, "Stop it! No more!" He merely fled, and let it continue. What explains such moral perversion?

That is one of the questions posed by Tzvetan Todorov in this powerful and thought-provoking book. But it comes couched in a larger aim, which is to see the

death camps of Nazism and the slave camps of the Soviet gulag as a magnifying mirror reflecting the moral character of man, in which one can see, with an often burning clarity etched by the extremity of the circumstances they imposed, the nature of good and evil.

## In the camps one could see, with an often burning clarity etched by the extremity of the circumstances, the nature of good and evil

deduced from this particular world", and Todorov takes the remark as his cue.

It is a commonplace that the degradation of life in the camps turned people into animals. Victims themselves said so. Tadeusz Borowski, who survived Auschwitz only to kill himself in 1951, said that war utterly abolishes notions of humanity: "there is no crime a man will not commit to save him-

self." In the same vein Levi wrote that the struggle to survive in the camps was "without respite, because everyone was desperately and ferociously alone... it was necessary to throttle all dignity and kill all conscience, to climb down into the arena as a beast against other beasts... it was a war of everyone against everyone else."

The Hobbesian terror of

this debased existence was the consequence of conscious design: the oppressors stripped their victims naked, left them to live in their own filth and excrement, starved them, turned them into common pets for scraps of food, denuded them of their names and identities. Under such treatment, in such extremity, how could the camps not be nightmares of hell, in which the very idea

of morality loses all content? And yet, as Todorov patiently and carefully shows, the reverse was also sometimes true. In the camps there were acts of kindness, heroism, love and succour of the most moving kinds. Even those who reported that their personal philosophy for surviving the camps was "me first, me second, me third - and then me again," as the physician Ena Weiss claimed, yet she herself spent every day helping others, at great personal cost. Robert Antelme, a survivor of Buchenwald, described a man and his son "hungry together... offering each other their bread with loving eyes."

Todorov derives two theses from his examination of many accounts of camp life. The first is that survivors generally paint a bleaker picture of camp morality than the facts support. One reason is that they need to emphasise negative aspects of their experience because that is what made it unique: that is what specifies the absolute difference between camp experience and ordi-

nary life. Another reason is that it expresses their remorse, even guilt, at having escaped death while so many others died.

The second thesis follows from the first. It is that the survival of moral life in the extreme horrors of the camps disproves the view that morality is a thin, conventional, easily-dislodged veneer on human life.

It shows instead that morality is natural, a firm property of human social existence, which can only be distorted or obliterated in very extreme circumstances: it takes beatings, terror, humiliation, imprisonment, starvation, cold, suffering, misery, loss of hope and identity, to root it out - and even then, it is not rooted out completely, or from everyone. That is a magnificently hopeful fact.

This rich book has much else to say on these desperate yet optimistic themes. It confirms again what we all wish to believe: that moral heroism is no fiction, and that humans can cling to their humanity in the very worst of times, and survive.

0181 324 5511



## BOOKS

## Sticky business with a dividend of gastronomic sin

Something to chew on: Max Wilkinson describes how American chocolate barons' philanthropy developed a bitter taste

THE CHOCOLATE WARS:  
Inside the Secret Worlds  
of Mars and Hersheyby Joel Glenn Brenner  
HarperCollins £19.99, 365 pages

There are some subjects about which it is difficult to speak dispassionately. Sex, religion and chocolate spring to mind. All three may be indulged to excess; but among the respectable middle classes, at least, chocolate is the greatest danger.

It is tempting to believe that the great chocolate philanthropists obscurely recognised this when they set up model towns and villages for their workers. Was it a kind of expiation? Probably not. Milton Hershey in the US, and the Rowntrees and Cadburys in the UK, were building their dreams of social harmony long before the modern preoccupation with obesity, tooth decay and heart failure.

In their day, chocolate was almost an elixir of magic, combining nourishment, sensual delight and a little stimulation. After the late 19th century, when blends of milk and chocolate were mass-produced, it also became highly profitable.

The unusual ways in which these profits have been used is the main subject of Joel Brenner's book, which concentrates on the clash of the Mars and Hershey empires in the US. This is a fascinating and little-known story. It also

provides an object lesson in the developments of family capitalism.

When Milton Hershey bought 1,300 acres of Pennsylvania farmland in 1902 as the site for his chocolate utopia, he was already a millionaire from the sale of a candy business that he had built from nothing. His new plan was to build a huge modern chocolate factory to supply all America with nickel bars. The site was to include parks, a swimming pool, schools and luxurious modern houses for his workers.

The only snag was that he did not yet know how to make choco-

late. As the buildings went up, Hershey was experimenting feverishly, using a special herd of cows to provide milk to blend in with raw chocolate.

As others had found before him, the two are very hard to mix, since milk is mostly water and chocolate is mostly fat. Back in 1875, Nestlé of Switzerland had done the trick, but unlike Forrest Mars, who was to be his company's fiercest competitor, Hershey had not studied European techniques. In the end he stumbled upon a recipe partly by accident. Unknown to him, the milk was slightly soured in the process and this gave the Hershey bar the distinctive flavour that was to sweep across America.

For Hershey, however, the smiles of his workers – and of the boys in his orphanage – were as important as business success. They were his *raison d'être*. This, and the accidental way in which he had developed his recipe, was to breed a profound conservatism

which, after Hershey's death in 1945, sapped the vitality of the business.

There were three problems: first, Hershey sought the happiness of his fellow men rather than industrial efficiency. If the workers seemed content and the product was selling, why bother?

Second, nobody understood the chemistry of how Hershey chocolate was made, so each bit of equipment was an exact replica of that used in his original experiment. Third, even if there had been a will to experiment and innovate, the cash for such investments was much reduced by the cost of the model town and the orphanage. When he

died, the sacred vision of the founder was preserved by a priesthood of executives who had been boys in his orphanage, or were raised from the ranks in Hershey town.

The formative development of Mars could hardly have been more different. Forrest Mars, who when he was 60, that he finally gained full control from the rest of the family.

He transformed the business like a whirlwind, pouring money into modernisation, firing managers who failed to perform, making millionaires of those who did and replacing the old cosy relationship with the rest of the industry with a fierce competitive drive. It was a model of lean, structured and incentivised management, run by a bear with a brain – and boundless energy. With few shareholders to please, profits could be poured back into the business.

Hershey, which despite reforms was still a pretty sleepy company, soon lost its big lead in the US market. Attempts to fight back through advertising and a sales force invigorated by defections from Mars went adrift in the 1970s as cocoa prices rose.

But the story did not end there. Forrest Mars's fiercely detailed management style did not pro-

per so well after his retirement, despite the efforts of two hard-working sons, John and Forrest Jr. When Hershey fought back with new products such as the Kiss and the hug in the 1990s, Mars seemed to lose its way – and the rest of the story is still unfolding.

Brenner tells his tale with gusto for the product, explaining exactly how the changing mix in the colour of smarties is test-marketed, or the technology for placing an almond in a hug, for example. He is good on the people, too, painting for instance a sad portrait of the grey, driven characters of the younger Mars brothers. Brenner is too self-congratulatory about breaking into the fastnesses of two secretive companies. Sometimes he is repetitive and formulaic, and he could with advantage have sketched in more of the European context.

Still, these are quibbles. Any-one interested in the thrills and spills of making money from nothing will find plenty to chew on. So too will those concerned with the dynamics of industrial success and failure. And for both kinds of readers it is all packaged delightfully in a thick coating of gastronomic sin.

## A nation of lions, guerrillas and gurus

Founded in the poetic mysticism of the sufi poets: Tariq Ali looks at the history of Sikhism

POETS AND WARRIORS:  
The Sikhsby Patwant Singh  
John Murray £25, 312 pages

Sikhism is one of India's newer religions, 500 years old this year. For most people in the west, Sikhs are immigrants who wear colourful turbans to cover their long hair and share the same surname. Patwant Singh's book, a useful introduction to the history and ideas underlying Sikhism, is designed to end the long night of ignorance. For that reason alone it should be a welcome addition to school libraries in Britain and the US.

Nanak, the founder of the Sikh religion, was born in a small village in the old Punjab town of Lahore, in 1469. Northern India, on the eve of the Mughal conquest, was in a state of chaos. The absence of order encouraged heresy. From a very early age, Nanak was repelled by the iniquities of the Hindu caste system and the hypocrisy of Moslem mullahs.

Nor was he alone. Two unorthodox movements had arisen within Islam and on the edges of Hinduism. The sufi mystics were delighted when their own religion won them a mass following throughout the Punjab. The *bhakti* (devotional) movement within Hinduism, whose leading voice was a Moslem weaver called Kabir, had a similar effect in eastern India.

Both currents of thought stressed the need for harmony between all religions, and to this day their words are sung by some of the greatest singers of India and Pakistan. Their message of tolerance enrages fundamentalists of every stripe, but remains popular.

Nanak was not alone in being seduced by the existentialist poetry of the sufi minstrels of the Punjab. His uniqueness lay in understanding that the mysticism underlying the poetry offered the possibility of creating a new religion. Nanak's message was, accordingly, preached through poetry. His imagery, perhaps because he is closer to us in time, is more real and more appealing than the cant of traditional preachers. The sufi had introduced the concept of teacher-disciple (guru-murid) to India and Nanak was to become known as Guru (teacher) Nanak.

Sikhism institutionalised the role of the teacher, whose mediation was necessary for salvation. Nanak attacked the caste system, eschewed the principle of hereditary succession and discouraged dedication by refusing to claim any divine right for himself. His successors were not as tough-minded on these matters, and accepted being treated as the earthly embodiment of the Supreme Being, even though they continued to link themselves to the sufi poets such as Shaikh Ibrahim Farid, whose compositions were inscribed in the Sikh Holy Book. One of Farid's verses gives a flavour of sufi philosophy: *Farid, revile not the dust; There is nothing like it; When we are alive it is beneath our feet; When we are dead it is above us.*

It is difficult to imagine what would have happened to this new religion if the Mughal emperors (after Akbar the Great) and their Brahmin advisers had decided to leave Nanak's followers in peace. Instead, the Mughal rulers chose to declare war on Sikhism as a heresy. The stern and ascetic Emperor Aurangzeb ordered the execution of the ninth Sikh guru, Tegh Bahadur. It was his successor, the last guru, Gobind Singh (1666-1708), who welded the Sikhs into a fighting force and

instructed each of them to bear the surname Singh (lion).

Guru Gobind was determined to wipe out all existing inequalities within the faith. New vows were taken to underline the total breach with Hinduism. To aid the process of creating a new identity, Gobind insisted on a new set of social rules. Sikhs were forbidden to cut their hair or shave their beard; they had to carry a comb to keep the hair tidy; they could only wear breeches above the knee, a steel bracelet on their right hand and be permanently armed with a small sword. This was not a version of medieval hippyism, but the creation of one of the first armed guerrilla bands in the world.

In the 19th century, the Sikhs, representing only seven per cent of the population of the Punjab, won the province by force of arms, and their leader Ranjit Singh became the Maharaja of the Punjab. It was only after his death that the British, through chicanery and war, took over this part of India as well.

Patwant Singh is at his best in describing the early years of Sikhism. The book becomes an apologia in discussing both Ranjit Singh and, much more seriously, the decision of the Sikh leaders to remain aloof from the Great Mutiny of 1857. There is no mention of Bhagat Singh nor a serious discussion of Sikh terrorism during the Raj. He rightly mourns the Partition of the Punjab in 1947, even though the only way to maintain its unity would have been for the Sikhs to do a deal with the Moslems. His account of more recent tragedies – the shelling of the Golden Temple, the assassination of Mrs Gandhi and the anti-Sikh pogrom that followed – is written with great emotion. This is the reason he wrote the book, but his partiality weakens the overall impact.



Maharaja Gulab Singh (1845) from 'The Arts of the Sikh Kingdoms', at the Victoria &amp; Albert Museum, London SW7, from March 25

## Reconciled with an alien heritage

## FRUIT OF THE LEMON

by Andrea Levy  
Headline £9.99, 339 pages

*Fruit of the Lemon*, Andrea Levy's third novel, continues her fictional exploration of a particular black British experience – inner-city, Caribbean, female – of the children of the Windrush generation. Her previous books, *Every Light in the House Burnin'* and *Never Far from Nowhere*, ran from the late 1960s into the '70s and were by turns tender, funny and angry. *Fruit of the Lemon* takes up the baton and reconnects these black British children with the Caribbean home of their parents.

Faith Jackson is an educated, bright and ostensibly happy young woman with a relaxed take on race. She mostly mixes mostly with white people – trendy solicitors, alternative cabaret artists, Spare-Rib-reading feminists (this is set in the late 1970s), and her Jamaican heritage is as alien to her as it is to her friends.

The few scraps of information she has on her family beyond her parents and brother – her grandmother was "tall", her grandfather "clever" – are patched together piecemeal, "like a game of consequences".

Although Faith is vaguely radical, the racism she does encounter is mainly treated as background noise and quickly disregarded. She gets a job in the costume department of the BBC, and her life runs smoothly, until two incidents conspire to undermine her equilibrium.

First, her parents announce that they are thinking of going "home". "To the old flat in Stoke Newington?" is her bewildered initial thought. Then she witnesses a violent racial attack by the National Front. She is overwhelmed by a debilitating depression, and her worried parents intervene to arrange a visit to the relatives she has never met in Jamaica.

The Caribbean was recently used in Shani Mootoo's marvelous debut novel, *Cereus Blooms at Night*, as an exotically sensual place where truth is a strange and powerfully ambiguous commodity. Andrea Levy's Jamaica is less extravagantly realised, but like Mootoo, a Canadian of Trinidadian descent, Levy's tawdry though a hidden family history has both explanatory and restorative results.

For the ennui-ridden Faith, Jamaica – in mythical terms – is an underworld where the normal rules don't apply. In the realm of the real, though, she sees in her



Astute observer of modern British life: Andrea Levy

unknown family a lot of "shabby-looking black people" and a cousin-in-law who looks, although she is "ashamed" to think it, like a Black and White Minstrel.

This cultural and familial disenfranchisement is remedied through an *ad hoc* course of oral family history, and the book is movingly punctuated by an ever-expanding family tree slicing through the pages to reveal a hidden pantheon of unknown lives.

Faith's ultimate return to England, as a stronger and wiser person, reinforces Levy's reputation as an

astute observer of modern British life. It is usually a mistake to conscript a novel as a piece of reportage, but at a time when the question of race has never been higher on the political agenda, Levy's authoritative depiction of the lives of her generation assumes a wider significance. Her novels connect with the world in a way that would be the envy of many more overtly political writers, and these fine fictional dispatches are a valuable contribution to the ongoing national debate.

Nicholas Wroe

## Characters that pack a punch

SONNY LISTON WAS  
A FRIEND OF MINEby Thom Jones  
Faber £9.99, 312 pages

Those of us who occasionally suffer protracted bouts of spiritual or psychic despair (or fancy that we do) are familiar with the false epiphany. It is that moment – inspired by a pretty face, by a monumental ruin, by the bleak romance of a run-down industrial waterfront at dawn – when the haze burns off briefly and it seems we are one short step away from happiness, from prosperity, from whatever it is we imagine we lack. Mountains become molehills, plans are made, the reasons for our hesitation forgotten. Until they come smashing back with the force of a good right hook, and we are left gasping for breath, flat on our backs on the canvas.

It is a world in which the most crushing blows of death, disease or depression can be erased by a sexy girl blowing into an overheated room, and it is emphatically the world of Thom Jones's third collection, *Sonny Liston Was a Friend of Mine*. In 12 stories Jones regains his vista over the land of poor choices, and, though his hold is at times tenuous, manages to keep his grip on the elusive fringe of Raymond Carver's mantle.

From the rock-hard Vietnam vet who turns to Chan-

nel swimming for kicks, to the epileptic misfit working the line at the cornflake factory, Jones's characters consistently seek out the most elusive of salvations. In "Mousse", the hump-backed dwarf who has lost his job as an engineer turns his skills to a series of cruel experiments on the helpless mice that plague his apartment. The narrator of "My Heroic Mythic Journey", a struggling boxer who manages a few years of success as the featherweight champion of the world, falls for a cocaine-addled blond who ends his career by firing five rounds from a .38-calibre revolver into his chest. The boxer lives to fight again, but his matches now end in ignominious defeat, until he is left hoping sports writers

never find him for their where-are-they-now stories.

Though not all the pieces in *Sonny Liston* manage to state their purpose clearly, Jones at his best still packs quite a punch. The brief "Daddy's Girl" (which features a relief from the author's usual parade of pugilists and Marines), is as powerful as any recent short fiction, and bests even the narrator of Eudora Welty's "Why I Live at the P.O." for unwarranted suffering.

Though most of Jones's characters, like Carver's, are plagued with almost lethal inertia and bad judgment. Junk, who narrates the story, finds herself in Job's familiar, leaky boat. But the realisation that Junk will never descend into indignant biblical doubt provided at

least this reader with a moment of cloud-parting joy. Job, of course, achieved enlightenment, unlike the poor souls of Jones's stories. It is the holes in our lives with which Jones is most concerned, and to explore the way we fill them he has again turned to the diseased and shell-shocked cases that populated his first two books.

If the bravado with which his characters fill their empty spaces seems, at times, less sufficiently explored than in his earlier stories, the exuberance of Jones's writing has remained undiminished, and chances are taken in *Sonny Liston* that the younger writer shed away from.

The title story even manages a poignancy not found in Jones's earlier work. The coming-of-age tale leaves a troubled boxer called Kid Dynamite on the brink of adulthood and "the real world", a territory into which Jones has rarely ventured in his writing. As in most of his stories, the machismo that is so pivotal to the boy and the end is transformed from an end in itself into a vehicle for deliverance. So it is through most of Jones's work: to make, awful mistakes to be, and we can learn from them or not. Mostly we do not, according to Jones. But even then, it's good to have the fog lift for a moment and enjoy that adrenalect, optimistic vision of God.

Mark Wallace



Familiar with that false epiphany: Thom Jones



## ARTS

# A Scot to remember

William Packer on an exhibition which sets Archibald Skirving properly in the context and spirit of his time

Artists are being rediscovered all the time, often interesting enough but, on the whole, minor and peripheral figures. For it is an inescapable truth of art that in any age – and not least our own – there were always more bad artists around than good, with any number of mediocre talents in between, no matter that the passage of time may lead to their work a certain seductive patina of curiosity and charm.

To come upon a more substantial figure, therefore, and a reputation truly and unfairly neglected, is quite another matter.

**If the Scots themselves have known much of Skirving and his work, they have kept it pretty quiet. His is a reputation that has been truly and unfairly neglected**

ter, deserving serious attention. And when such an artist is a Scotsman, in these of all days, we must take special care.

If the Scots themselves hitherto have known much of Archibald Skirving and his work, they have kept it pretty quiet. The critic and art-historian, Duncan Macmillan, for example, in his copious survey, *Scottish Art 1460-1990*, gives him but half a paragraph and one illustration in black-and-white – though quite rightly placing him among the finest of British exponents of the pastel portrait. And with local notice so scant, I doubt there can be any but the most recalcitrant specialist south of the border who has ever heard of him.

The study exhibition now arranged by the Scottish National Galleries at the National Portrait Gallery in Edinburgh is therefore most useful and not before time. The only pity is that it is not to travel and so spread this new-found reputa-

tion abroad – but then achievement properly honoured at home at last is no bad start.

It is necessarily a small show, for Skirving was not at all prolific and the most important work is on paper – which may be part of the problem: for the false hierarchy whereby work on paper must ever defer to oil paint and canvas is notorious. But the great virtue of this exercise, small and concentrated as it is, is that as well as demonstrating the power and quality of his work itself, it sets Skirving properly in the context and spirit of his time, for all his quirks and oddities a true and characteristic figure of the Scottish Enlightenment.

As much was recognised of him in his lifetime, which makes his subsequent obscurity the more odd. Thomas Carlyle, who bumped into him in 1814, the year before his death, remembered him fully 50 years later as "an altogether striking man... still brisk-looking, tho' perhaps 70 odd... no necktie but a loosely-fastened black ribbon... one of the cleanest old men I ever saw – and such a face as you would rarely see. Eagle-like: nose hooked like an eagle's bill, eyes still with something of the eagle's flash in them... brow, cheek, jaws, chin all betokening impetuosity, rapidity, delicacy and the stormy fire of genius not yet hidden under the ashes of old age. A face and figure never to be forgotten." To make so lasting a mark upon someone of Carlyle's stamp is itself a measure of Skirving's contemporary celebrity.

If a mistake has been made, it is perhaps in the exhibition's title, *Raeburn's Rival*, which is catchy enough – it caught me – but in the event is misleading for the false expectations it arouses. Near contemporaries – Skirving, born in 1749, Raeburn's senior by some seven years – the two men could hardly be more different: Raeburn prolific, sociable, ambitious and working on a grand and public scale; Skirving nervous, withdrawn and, in his work more intimate and psychologically profound. Skirving's preferred medium of pastel, of which



A virtuoso demonstration of one of the subtlest and most difficult of techniques: Archibald Skirving's pastel self-portrait of 1790

indeed he had consummate mastery, proclaims of itself the clear gulf – of scale, interest and practice – that yawns between the two men.

The details of Skirving's early training and career remain obscure, but it seems he was

studying in Edinburgh by the early 1770s, moving to London in 1778 to try his luck, principally as a miniaturist, but with little success.

By the mid-1780s he was back in Edinburgh and in 1786 off to Rome where, in the city's cosmo-

politan community of artists, he began to flourish as portrait painter and draughtsman, and remained there for almost the next eight years.

This is the man we see in the self-portrait of 1790, as dashing as any of the period, with his long

black hair and broad black hat, his white open collar and loose pink scarf, turning to confront us with all the quizzical self-assurance of the early Romantics. It is also a virtuoso demonstration of one of the subtlest and most difficult of techniques, pastel, show-

ing him confirmed already in the particular mastery on which his restored reputation must now rest.

In this, as in the pastel portraits after his return to Scotland – the ripe Mrs Johnston, all bonnet, frills and feathers; Mrs Wilson more austere handsomeness in black and white; his younger half-sister Janet with her long hair and quiet gaze – we see a Romantic sensibility always gently moderated by the clarity and firmness of the Neo-Classical. His art, like the world he lived in, is one of flux and contrast, his is a distinctive resolution of the tensions. Few portraits, large or small, of his or any age, have such sympathetic humanity of feeling and observation. They are remarkable, lovely things.

**Few portraits, large or small, of his or any age, have such sympathetic humanity of feeling and observation. They are remarkable, lovely things**

Poor Skirving's Romantic self-assurance was to prove less robust than his manifest abilities. In the summer of 1794, the ship on which he was returning to Scotland was taken by the French Revolutionary Navy, and he was imprisoned in Brest as a suspected spy, in appalling conditions. His health and eyes suffered and, through the months of the Terror under the ever-present chance of summary despatch, so too did his nerves.

Carlyle speaks of him as living ever afterwards "in a secluded, almost 'mythic' condition; refusing all work except upon his own whims, and carelessly said by the public to be 'cracked' in brain." He lodged, somewhere in Leith Walk, he tells us, "in complete Hermitage, an indignant but uncompromising King, supreme sovereign there if nowhere else... Some few, the chosen of the world, he warmly loved, to the multitudinous vulgar, titled and untitled, rich or not rich, he had long since waved his stern 'ape' (he goes) and was not concerned with them farther."

He seems a true Scot to me. And such an artist, such a man, deserves to be remembered.

**Raeburn's Rival – Archibald Skirving 1749-1814: the Scottish National Portrait Gallery, Queen Street, Edinburgh, until April 5. Sponsored by Bell Lawrie White; travel courtesy of Great North Eastern Railway.**

## TELEVISION CHRISTOPHER DUNKLEY

## The news gives way to accountants' TV

On Monday, for the first weekday night in 32 years, there will be no *News At Ten*. This may be less of an earth-shattering event for the public than broadcasters imagine, given that we shall still be able to watch news programmes at 6.00 pm on BBC1, 6.30 on ITV (the new main evening bulletin from ITN), 7.00 on Channel 4 and 5, 9.00 on BBC1, 10.30 on BBC2 and 11.00 on ITV – not to mention news round the clock on three cable and satellite networks. So why all the fuss? Largely because the removal of the *News At Ten* monolith means the unblocking of the ITV evening schedule and an increase in the intensity of an already hot war over ratings between ITV and the BBC.

Now that ITV has cleared the famous obstacle, what can we expect in mid evening? You don't have to look far for the answer. On Wednesday ITV will be giving the first screening on terrestrial television to the

19th Bond movie, *Goldeneye*, with Pierce Brosnan as 007, running straight through from 8.35 until 11.00 with no interruptions – apart from numerous commercial breaks, of course. Thursday brings another film, *The Specialist*, in which Sylvester Stallone plays a hired hit-man. *Halliwel's Film Guide* says this is a "trashily risible action movie", and Radio Times claims it is "straight-to-video fare that got lucky". However, it has an 18 certificate and we are promised it has been "edited for some of its language and violence, and contains sex scenes and nudity", so no doubt it will get a huge audience.

Yet probably not as big as the main offering on Friday evening, which is a special Comic Relief edition of ITV's startlingly successful prize quiz show *Who Wants To Be A Millionaire?* Presented by Chris Tarrant, the first batch of this quiz went straight into the BARE Top 10 and challenged the normally



Chris Tarrant on 'Who Wants to be a Millionaire?'

unassailable soaps for the Number 1 spot. Last week it received its highest accolade yet when its success was said to be the reason why the BBC had decided to scrap *Noel's House Party*. The quiz will be followed by the last episode in a series called *Infidelity* which, we are assured, is about "sexual treachery". So ITV's cards are laid pretty clearly on the table in the first week.

There is one other major element in this mid-evening slot: the Jason/Thaw contribution. David Jason and John Thaw are the two actors regarded by ITV as 100 per cent bankable. Tomorrow Jason returns as the bishie, grumpy, rule-breaking Detective Inspector Jack Frost, in the first of four *Touch Of Frost* stories, each two hours long. These are the first new Frost dramas for two years: those screened recently have all been repeats. On Monday John Thaw returns as the gruff Yorkshire barrister in *Kavanagh QC* for the first in what is said to be the final series, which will take the total to 26 episodes. *Kavanagh QC* lasts 90 minutes, so at 10.30 on Monday ITV will show the first in a six-part run of *The Grimleys*, a sitcom set in the 1970s which, in its pilot last year, looked like one of the best new comedies for a very long time.

Like Agatha Christie books and Marks and Spencer clothes, the *Frost* and

*Kavanagh* series epitomise a particular sort of English quality: well made, dependable, conservative, inoffensive, unsurprising, unexciting, civilised, predictable, slow, dull and immensely popular. By today's standards their budgets are high. Well known actors often come in to play bit parts: for instance the judge in Monday's *Kavanagh QC* is played by Alec McCowen. Lip service is paid to modernisation – for example, Frost's office is seen in tomorrow's story to have a computer (though he refuses to use it, of course); and in *Kavanagh QC*, the writers make efforts to emulate *LA Law* by bringing in bits of the social background of the chambers.

But the essential content is, in *A Touch Of Frost*, the traditionally highly involved murder plot and, in *Kavanagh QC*, the traditionally highly involved court case. We all know exactly what to expect because we have seen programmes like this a thousand times before – and that is something of a pity. We might have hoped that, having finally pushed the news to the beginning and end of the evening, ITV would take the opportunity to start something a bit more exciting, a little more demanding, if only on one evening of the week. But no: it is going to be accountants' TV (ITV accountants, that is) right through peak time, seven nights of the week.

## RADIO MARTIN HOYLE

## Nobbled by modified genetics

Thank heaven for *You and Yours* and *The Food Programme*. They have been continuing the debate on genetically modified food when our government with its genetically modified democracy would prefer to dismiss the whole affair.

Last week's *Food Programme* on the projected Food Standards Agency compared Britain's priorities with those of her neighbours: here, it seems, pride of place goes to keeping big business sweet, a sign of our genetically modified socialism.

The serious approach of such radio programmes is all the more welcome in the face of increasingly glossy dumbing-down in the unlikely places. The organisers of the prestigious Glenfiddich awards, for example, have apparently decided that they will no longer consider radio in allocating their prizes for food and drink coverage.

Since food journalism on television confines itself to flashy celebrity cooks and frequently insane celebrity non-cooks playing out a variation of showbiz, this latest manifestation of the new shallowness prompts certain conclusions about the value of such awards.

Monday's *Woman's Hour* presented an unexpectedly spirited confrontation between Germaine Greer and Julie Burchill. The latter's little-girl voice and vampire-fanged attack made for a rather frightening combination, like an evil animated doll in one of those notorious horror films.

Burchill long ago abandoned the tones of our mutual home-town Bristol, in an area where the usual work available was in the local cigarette factory; but she obviously sees herself as a Carmen figure: wilful, head-tossing, sensual. Intellectually she

barely reaches the good Dr Greer's shin-bone, but her all-flailing, all-squeaking brio left her better occasionally speechless.

Burchill's subtlety can be gauged by her acute summary of the fashion industry as dominated by "twelve fags" in Paris, New

*Woman's Hour* with bated breath.

Women in more relaxed mood on Radio 2. *Heated Rollers*, a new comedy series, consists of sketches, an endearingly old-fashioned format. Like all such shows it's hit and miss but has its points – notably the interview with the

has turned into an admirable host. He sounds as if he's enjoying himself, is neither patronising (of his guests or us) nor obsequious (ditto), and combines the right questions with a friendly tone.

Things are looking up in what was once a disaster area. Radio 4 afternoon drama. Recent pleasures have included *Glass*, an intriguing arabesque on Mozart, Mesmer and two blind woman musicians, both historical figures and *Elshah*, an anecdote of jealousy, race, communication, beautifully using the medium of radio to probe cross-purposes, misunderstandings and – unexpected understandings. And a postscript of praise for Radio 2: John Le Carré reading Le Carré. Not all authors read their own works well (and poets are notoriously bad) but Le Carré, quite appropriately when you think of it, has the aplomb of a professional actor.

**Poodles have been given 'enhanced' colouring with the help of dye or mascara. One awaits a clash on 'Woman's Hour' with bated breath**

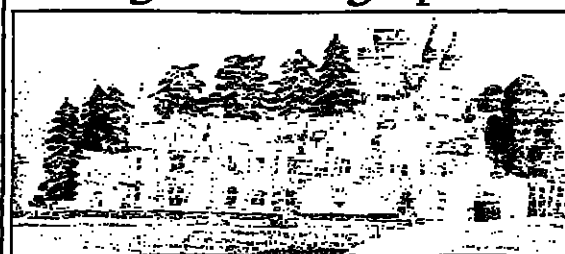
York and London – "homosexual designers want to make women look stupid". In rational argument Burchill fell back on "I don't think so" or – in yah-boo sucks-to-you tones – "I don't know about you": a conservative estimate of her unknowingness, one suspects.

*Crufts* is an unheralded but entertaining little series on the venerable dog show. Jealousy, cheating, nobbling and genetic modifying are threads running through the history of show-dogs in this country. Poodles have been known to have "enhanced" colouring with the help of dye or mascara. One awaits a clash on

bloody-minded veteran of an old folks' home, her cantankerous replies being discreetly interpreted by the matron – and never, unlike many of its television counterparts, insults your intelligence.

The quirky music from the Lorraine Bowen Experience is a plus. But then Saturday was full of pleasant musical originals, from the snippet of *Strawpeter on Loose Ends* to the guests on *Live from London*. Simon Fanshawe

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THEATRE TOKENS



## ARTS

When it opens on March 16, the much-hyped, \$550m Bluewater mall in north-west Kent will be Europe's largest shopping centre. But according to its creators, Bluewater may not be a mall at all. What I will see, they assure me, is a brand new city just before it opens.

"There aren't any precedents for this, other than great urban spaces," insists architect Eric Kuhne. "In the end, we've really designed a city rather than a retail destination."

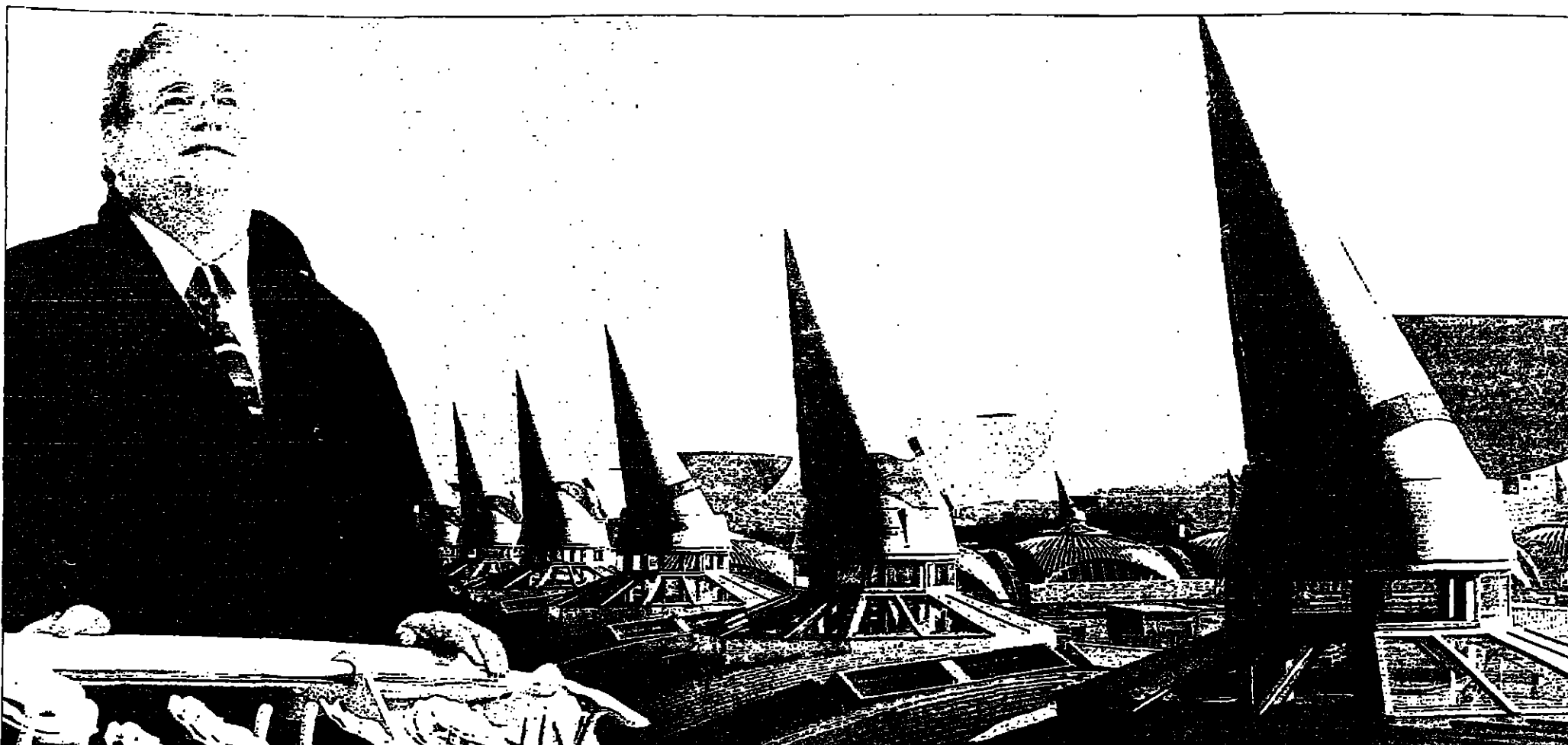
On paper, Bluewater's numbers match those of a good-sized town. At 1.6m square feet, its retail space is roughly equal to all of Oxford Street, while its 13,000-capacity car park will be England's largest outside of Heathrow. In addition, it boasts its own bus terminal, a police precinct staffed with six constables, and a private road system which cost \$40m to build. On an average day, according to estimates by its Australian developer Lend Lease, its population will hover between 40,000 and 80,000 visitors (or "guests" as they prefer to call them), with up to 150,000 on Saturdays, along with another 8,000 employees.

The cathedrals of this ersatz city will be major department stores: John Lewis, Marks & Spencer, and The House of Fraser. Another 320 stores and restaurants, many catering to an upmarket clientele, aim to create a fashionable ambience to rival London's West End. But what distinguishes Bluewater from other mega-malls is not merely its scale, but its social ambitions. Kuhne, a large robust Texan who studied architecture at Princeton University, has designed what he considers to be a monument to the enduring values of English culture, spanning the full sweep from a "belief in history as grounding the roots of a person's identity" to "belief in the outdoors".

As implausible as that sounds, Kuhne is absolutely in earnest (irony is not part of his inventory of worthy English traditions). Mixing up an eclectic array of pumped-up architectural references, Bluewater's exterior evokes "Decimus Burton on steroids," as Kuhne quips. Its eccentric roofline features oversized Kentish oast houses, embedded crystal forms based on perfume bottles from Harrods and Harvey Nichols, and a curved greenhouse that pays homage to Burton's Palm House at Kew Gardens.

To celebrate English landscaping, over 1m shrubs and trees, including 30-year-old oaks imported from Germany, have been planted around the building. A network of scaled-bottom "lakes" (closer in size to large puddles) and a "water circus" of cascading ponds. Even the parking lots have been planted with fruit trees and transformed into "orchards".

Yet all this lush landscaping is utterly dwarfed by a far larger landscape: the immense, 50-metre-deep former chalk quarry —



'Decimus Burton on steroids': Eric Kuhne with Bluewater's roofline, which features oversized Kentish oast houses and a curved greenhouse that pays homage to Burton's Palm House at Kew Gardens

Copyright by Philip Thompson

## Shopping mall with social ambitions

Ralph Rugoff talks to Texan architect Eric Kuhne about Bluewater, his utopian vision of consumerist culture built in the heart of an industrial wasteland

once part of Europe's biggest industrial wasteland — in which Bluewater incongruously sits. Indeed, viewed from above, which is how visitors will initially see it, the mall suggests not so much a tribute to the national heritage as a site uncovered by a sci-fi archaeological dig.

Venture inside Bluewater's vast, triangle-shaped mall and you find yourself assaulted by emblems of Englishness. Walls are engraved with poetry by the likes of Shakespeare, Keats and Vita Sackville-West, while architectural and decorative references veer from handkerchief domes based on Sir John Soane's Bank of England building to ceiling tiles inspired by William Morris. And the centre's three thematically-branded shopping areas — the Rose Gallery, the Guildhall, and the Thames Walk — commemorate England's landscape, townscape, and waterscape with sculptures, friezes, and even theme-specific lighting fixtures.

The mall's most extravagant regional gesture is its Winter Gardens, the largest built in Britain in this century. Its 1,000 square-metre steel and glass atrium houses an indoor landscape dominated by towering tropical trees, as well as a *fauv* grotto where children can cavort. When I ask if it was inspired by Las Vegas's Mirage Hotel, which is also fronted by a domed rain-forest, Kuhne looks aghast.

"The biggest thing we fought against in developing Bluewater was to prevent the American idea

of their local shopping centre featuring Shakespearean sonnets on the walls? "No, they don't," Kuhne responds, "because that has been drummed out of them by a century of Modernism, which has said, 'you silly sods, you don't need any of that stuff. Modernism has no belief in contemporary culture, which is why it has elevated the industrial aesthetic to a god-like status.'"

So is Bluewater's *mélange* of user-friendly historical references essentially postmodern? Kuhne vehemently shakes his head. "Postmodernism pilfers forms out of the past, and leaves out the content. What we do is precisely the opposite. We pull the content out of the past and give it a new form." It's an approach he modestly labels "Civic Art".

"It's about restoring the pageantry of cities, aesthetically, but also in a deeper sense. For us architecture is a narrative, a way a culture represents its belief in itself."

With his pear-shaped face and gold-rimmed spectacles, Kuhne calls to mind a latter-day descendant of Benjamin Franklin, and like that conservative revolutionary he is an articulate ideologue, but do shoppers really care if

quoting everyone from Winston Churchill to Walt Disney as he spells out his impassioned vision of a society where retail architects "deal with the deep emotional issues of our lives".

That profound activity commonly known as "shopping" — but which Kuhne, with his characteristic flair for euphemism, prefers to call "the art of giving" — lies at the heart of his vision.

Like fellow American mega-mall architect Jon Jerde, who helped design both the Paris Disneyland and Minnesota's Mall of America (the world's largest shopping complex), Kuhne sees giant regional shopping centres — Jerde actually calls them "urbanopolises" — as emerging capitals of our civic and cultural life.

"When people moved out of the city to get away from crime and fear, they also gave up the cultural diversity and vitality of civic life. But Bluewater restores all that. It represents the third polarity, to borrow Ebenezer Howard's term, between suburb and city."

In actuality, Bluewater seems more closely related to a themed resort. On entering each of its four "welcome halls", visitors

will find a fully-staffed concierge desk as well as seating areas similar to those in a hotel lobby. And just in case anyone feels like spending the night, Lend Lease is currently planning to add a boutique hotel just outside the mall.

Like other mega-malls, Bluewater is a mix of retail and leisure, boasting a 12-screen cinema as

well as a host of cafes and restaurants. Its developers also promise a regular programme of concerts and performances. But leisure enjoyed at Bluewater, according to Kuhne, is something special. After abandoning plans for a golf driving range and an all-male English club where bored husbands could find respite while their wives shopped, Kuhne and company decided to put a down-

home spin on a basic concept of leisure. "As we've redefined it, leisure deals with something that most people take for granted," Kuhne explains. "The English philosopher Raymond Williams writes about how culture is ordinary. It's not about getting out your cheque book to pay for a painting, it's about a couple sitting on a porch having a conversation. It's about people going for a walk in their garden, or a family spending time together over dinner."

Or hanging out at McDonalds at their local mall?

"We provide what we call civic leisure, which is about creating places where people can take a break and spend time with each other..."

As the architect continues to expound upon his utopian vision of consumerist culture, my mind stutters. I can only think of poor Raymond Williams, who must be rolling over in his grave. Somehow I doubt that a "day-out" inside a shop-till-you-drop mega-mall — even one devoted to reproducing a mummified version of authentic Englishness — was what he had in mind.

**'What we do is pull the content out of the past and give it a new form' — an approach that Kuhne modestly labels 'Civic Art'**



The way we lived then: the late-Georgian room at the Geffrye Museum

## Designs for living brought up to date

Jackie Wullschlager is bowled over by the new extension to the Geffrye museum

It sounds like a marriage made in hell: the graceful Queen Anne facade of Hackney's exquisite Geffrye Museum, twinned with Nigel Coates' architectural crumb of a Victorian building, creator of Sheffield's tilting steel drum pop centre and of androgynous millennium man at the Greenwich Dome. But just before Christmas, when Prince Charles opened Coates' exceptional new extension to the Geffrye, one of the UK's most fascinating small museums was brought bang up to date in a sympathetic and witty way.

The Geffrye charts British social history by looking at the way the urban middle classes have decked out their homes over four centuries. This month the second new phase of the museum opens with a series of reconstructed period gardens showing townies at play, with shovel and sunshade, from Stuart to modern times.

The Geffrye will not only double in size, but will be

transformed from cosy Sunday afternoon retreat to state-of-the-art, summer-and-winter showcase, offering entertaining commentary on how we came to live as we do. The museum is so popular because it lends intellectual dignity to the British obsession with houses and interiors.

In the Geffrye's traditional wing, impeccably detailed period rooms run the length of its almshouse front, starting with 17th century oak-panelled gloom and ending with a parlour of beautifully cluttered Victorian nastiness. But now you step out from behind heavy damask curtains straight into Coates' light, airy cafe, a vast sunlit greenhouse overlooking the gardens; bright yellow downpipes, Pompidou-Centre style, swoop down the brick walls, built with sloping courses in a continuous curve. Over it flows a steel and glass roof constructed as a diaphragm, which

connects the almshouses to the 19th and 20th centuries; thus its design is a metaphor for its function, which is to link the displays of these two centuries.

But it is also so vibrantly contemporary, so deliberately challenging, in its curves and slopes and broad spaces, to the sober, enclosed rectangles of the almshouses, that it makes modernity exciting. Forget nostalgia and tip-toeing museum timidity, it says, sweep out of history and into a different, questioning mode as you approach the galleries dedicated to our own times.

Of these, the one to score highest on the visitor ooh-and-aah factor is the 1990s steel-and-chrome mezzanine loft apartment. Transposed to a museum setting, it looks like a parody of *fin-de-siècle* yuppie aspirations: the £1,800 leather Balzac armchair, recent symbol of Peter Mandelson's hubris, is the throne; flanking it are Matthew Hilton's glass and aluminium "Flipper" table and Courtenay Shop shelves in zinc and ash. A breakfast bar and stools — nothing so leisureed as a dining table — are beech and chromed tubular steel, props are a

stainless steel Dualit toaster and *The River Cafe Cookbook*.

In this room a mockery of the uniform style of Manhattan loft apartments still going up for sale on the Shoreditch streets around the Geffrye? Does it dignify that style with the status of classic, or reduce it to something passé, an old-fashioned museum piece? Or, as complex and intimately together about those chrome door handles or backlit walls, is it a comment on the democratic process by which designer styles available to all at high street prices rapidly become styleless clichés?

Certainly, democratisation is the story of the modern galleries. The jade and red Jasper Edwardian living room in Golders Green has daring art nouveau touches, such as the sinuous electrolux with spun glass shades. The art deco 1930s serviced flat, minimal in detailing, united in colour, boasts trophies of the new media — console wireless, phonetic resin and plastic telephone, HMV gramophone in its leatherette case — alongside period pieces like a Wedgwood cigarette box. Then comes the open-plan "mid-century room" tipping out into a suburban garden; all white paint, unit furniture, lightweight Scandinavian settees — clean simple lines, good healthy living. Social changes which have marked our times emerge here — open spaces signifying the growing informality of domestic life; the all-purpose living room taking over from the grand drawing room as children come to dominate the middle-class family; the television rather than the fireplace as the focus of the home.

Next door, a small, choice picture gallery of 20th century works is a comic delight — Thomas Gainsborough's "The Arrival of the Jarro Marchers, 1836", watched by a couple in evening dress from an opulent interior, and Muriel Minter's 1930s garish, satirical "Cafe Scene" of entangled

bodies, are highlights. Epoch-spotters can follow trends in an exhibition showcasing developments in design (a 1960s Japanese

**The greatest pleasure here is simply to time-walk through the new rooms and feel you are the star of the show**

videosphere fluorescent television, inspired by the Space Age and new pop culture, for example; an outside Alessi aluminium

lemon squeezer standing on three legs, symbol of the 1980s designer decade), or on the museum's excellent new CD-ROMs, which use well-known paintings to link social themes across four centuries.

But the greatest pleasure here is simply to time-walk through the new rooms and feel you are the star of the show, as if in a dream sequence of classic drama where a Harley Granville Barker stage-set blends into *Private Lives* which in turn becomes *Look Back in Anger*. It is a marvellous, thought-provoking record of everyday life in our century.

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## COLLECTING

# Eye-popping brilliance

Antony Thorncroft previews a rich man's bazaar, the Maastricht Fine Art Fair

Next weekend the art world converges on a small Dutch town with two big attractions - it is picturesque, and it is a quick taxi ride away from both Germany and Belgium. Maastricht is at the crossroads of northern Europe, and within an hour or so live many, if not most, of the richest antiques collectors on the continent.

This has helped its European Fine Art Fair to become the most successful antiques market place in the world, embracing almost 200 leading dealers, more than 60,000 visitors, and enough concluded deals to keep everyone happy.

Only one thing is set to hinder this annual convergence - the capacity of Maastricht's tiny airport. Last year, many private jets had to be rerouted to Aachen or Liège, so great was the pressure for a landing spot. This year, with rumours of recession rustling through the continent, demand may not be so great, but with the proverbial pre-fair optimism of dealers (usually followed by post-fair reticence), everyone anticipates another nine days of brisk exchange of

some of the most costly antiques on the market.

The problems on the continent, especially the uncertain start of the euro, might actually encourage business. Works of art can seem to the rich a safer, and more decorative, haven for surplus cash than the money markets. With dealers from 12 countries, and international buyers from even more, Maastricht is the perfect place for a little light laundering of cash which might otherwise disappear in tax.

This mercenary side to Maastricht is unwittingly encouraged by the Dutch tax laws. A European Union-based dealer (Dutch excepted) must in theory charge a buyer 17% per cent value-added tax on top of the asking price for the work of art that they are keen to purchase. To avoid such a costly surcharge most dealers are put on ice, with the Old Master paintings or oriental vase despatched at a later date from London - struggling to maintain its status as a relatively tax-free zone. Europe is very far from being an open market for the art trade.

But while filthy lucre cannot altogether be avoided at Maastricht, for most visitors the appeal of the fair is the brilliance of the thousands of objects on display. Not only do they shout "buy me", they are also manifestly genuine. Maastricht is vigorously vetted and its participants are the tops in their fields. There is a waiting list of more than 40 dealers keen to gain access to this exhausting arena.

This year the site - an exhibition hall on the edge of town - has been expanded, allowing in a few more dealers, and widening the aisles. Once inside, what does a visitor find? Certainly the biggest display of Old Master paintings at any fair. Inevitably there is a bias towards 17th century Dutch and Flemish art, but this year attempts have been made to include more Italian, French and Spanish works.

Coinagli, for example, will be offering a tiny portrait on copper of a Dominican monk by Strozzi, while a new exhibitor, Cesare Lampronti of Rome, has Venetian views by both Canaletto and

Guardi. The Parisian dealer Jean-François Heim is offering 45 works from the Danish Golden Age of the early 19th century, and Trafalgar Galleries is serving the increased interest in religious art by offering "St Agnes" by Guercino and "The wedding at Cana", a joint work by Leandro and Bassano.

Inevitably there is no shortage of Dutch and Flemish art to meet local demand. Johnny van Haeften has a Teniers carnival scene, which he reckons contains an unprecedented 400 figures, as well as a van Mieris the Elder of an alchemist in his workshop. Agnew's is displaying a portrait of a lady by Cornelis de Vos, and Richard Green has a still life with cheese, a glass and Chinese porcelain by Clara Peeters.

The fair has always been strongest in Old Masters, and, to widen its appeal to collectors of modern art, the leading London dealer in this field, Leslie Waddington, was brought in as chairman of the paintings section with the task of improving the quality of the 20th cen-



Pablo Picasso's 'Paysage de Cote d'Azur' (1965) from Waddington Galleries

tury stands. He has lured in Anneli Juda as a new exhibitor, which expects local interest in a painting by the Dutch artist Mondrian, priced at £2.4m. Waddington himself offers a late Picasso, a Magritte and a Warhol, as well as a new sculpture by Barry Flanagan. Elsewhere in the fair, dealers will be displaying works by Cézanne, Bonnard, Vuillard, Miró and Picasso.

The books and maps and

the antiquities sections have also been strengthened this year, with Jörn Günther bringing the Arenberg Misal of about 1524, priced at £1m, and Royal-Athena unveiling a monumental head of a Roman empress as Demeter, priced at \$285,000. Oriental art, in contrast, is suffering slightly, losing some dealers to the successful Asian Art Fair in New York later in the month. There is plenty of furniture,

a good spread of antiquities, tapestries and silver, and top-of-the-range jewellers, including Harry Winston and Cartier Joailliers.

Maastricht is not without its critics. It is managed by dealers for dealers but its financial operations are not always transparent. The profits seem to be invested in boosting the autumn fair in Basel to the same standard. But Maastricht's attempts to draw in the top

20th century art dealers can only be at the expense of existing dealers.

Certainly one loyal exhibitor, Wolseley Fine Art, which specialises in drawings, and expects to take about a third of its annual turnover at Maastricht, can rightly feel hard done by in being bowed out from this month's fair in favour of a bigger name.

Still, it is the one European fair that no serious antiques collector can afford to miss. The dealers have been spiriting away their best acquisitions for months to amaze their customers, and their rivals, and although it requires a powerful constitution, or an extended visit, to do viewing justice to this vast and opulent rich man's bazaar, the presentational expertise that sets off the grand objects undoubtedly guarantees an eye-popping experience.

Anyone lacking the will, and the wallet, to go to the Netherlands can take comfort in the more genteel and leisurely transactions at the Duke of York's Headquarters in Chelsea, where the British Antiques Dealers Association is holding its annual fair from March 17 to 23. Ninety dealers, all BADA members, will be offering antiques that appeal to the traditional British collector - attractive decorative objects for the home, sold in a relaxed atmosphere.

## COLLECTING

## AT THE EUROPEAN FINE ART FAIR, MAASTRICHT

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Mahatma Gandhi, the leader of India's independence movement, had little time for photographers. And he hated the harsh glare of a flashbulb.

Fifty years ago Homai Vyrawalla tried to take his picture at an ashram near Delhi. "I took two or three pictures of him as he was coming out," she says. "His niece came running up and said please go away - he will break your camera."

Vyrawalla's second attempt was even less successful. She delayed for a day so her husband could join her - and that day Gandhi was shot. "No photographer was there," she says. "Nobody got the picture of his assassination or the aftermath."

Jawaharlal Nehru, India's first prime minister, was more accommodating. "He didn't mind us taking his picture even when he was having a nap," she says.

Today Vyrawalla lives alone, an elegant and spirited widow of 86, her work largely forgotten. Only a faded picture of Nehru and an old wooden tripod - used as a plant stand - offer any clues to the career of India's first female photojournalist.

Yet this is the woman who was dubbed India's royal photographer by the country's first vice-president, and was known to a generation of pioneering Indian photographers, tongue-in-cheek, as "mummy".

Homai Vyrawalla discovered photography in Imperial Bombay in the 1930s. At the time, she was studying painting. But when she saw a camera she lost interest in it.

Contrary to the rules of polite

## Captured memories of an early developer

Krishna Guha and Sophie Whitfield admire the depleted archive of India's pioneering female photojournalist

society, she began to go on photography outings with her fiancé, learning how to use his Roliflex. "We were excited," she says. "It was something new I was doing. In those days, people were so orthodox they wouldn't allow a woman to carry a handbag."

One day her fiancé sent some of her pictures to the Bombay Chronicle. The newspaper published a full-page spread and paid her one rupee per print. "We were very hard up. Eight rupees was something. I said: 'Who is going to pay me for painting?'"

She began taking pictures of local life which she sent to newspapers across India. Stanley Jebson, editor of the Illustrated Weekly of India, noticed her work and published a series on the country's festivals and cottage industries.

Vyrawalla remembers the way they used a four-poster bed draped with sheets as an impromptu darkroom. "Nowadays you get glazed paper," she says. "We used to glaze our prints on glass sheets, putting them in front of the fire. My mother would stand by to make sure they did not get burnt."

When war broke out in 1939, Vyrawalla started taking pictures of the war effort. In 1941, three months after the birth of her son, she joined the British Information Service, the official

news agency, in Delhi. There she began to photograph the last days of Empire and the small cast of men who were to shape the destiny of one-fifth of mankind.

"I started taking pictures even before independence - political mostly and the activities of the British," she says. Moving freely through the corridors of power, she became a familiar face, greeted by those she came to photograph. "Those were very gracious times," she says.

Surviving photographs from those days constitute Vyrawalla's finest body of work. The intimacy is striking. So, too, the sense of hurried improvisation which lay behind the ceremony of history in the making.

She leads through the contents of a battered box. Nehru embraces his colleagues in triumph as officials bustle past them unconcerned. Lord Louis Mountbatten, last viceroy of India, stranded in his carriage, surrounded by a sea of Indians.

Mohammad Ali Jinnah, founder of Pakistan, holds his last press conference before leaving India forever, clutching a cigar, with a glass of whisky close at hand.

Only one image is missing: Nehru declaring independence in the chambers of parliament. Vyrawalla was stopped at the



Nehru, centre, in a tiger mask at his grandson's birthday party

door by independence activists. "They said: 'No, you are working for the Britishers,'" she says. "It was the only time in my career."

Four years after independence, Vyrawalla left the British Information Service and became a freelance photographer again. Times were changing, but not abruptly. She photographed the grand parties at the Delhi Gymkhana club in the 1950s - dinners, dances, fancy dress balls. "I was one person allowed to be there every other evening because I represented Onlooker

magazine. It was a very high society magazine; people were dying to get in there."

Some of her best photographs of Nehru, India's handsome and joyful first prime minister, date from this time - of him wearing a tiger's mask at his grandson's birthday party, playing cricket, unleashing a dove, greeting his daughter - images of a time of hope. "He had the looks and voice of an actor," she says.

An army of international celebrities descended on India: Yuri Gagarin, Jackie Kennedy, Mar-

shal Tito, Martin Luther King, Ho Chi Minh, Khrushchev, Eisenhower, Queen Elizabeth, the Dattai Lama. Vyrawalla photographed them all, some for Time and Life magazines.

By the mid-1960s, however, this halcyon world was fading. Nehru died in 1964. Delhi lost its cosmopolitanism. Import controls made it impossible to buy foreign cameras or spare parts.

Vyrawalla noticed a growing distance between photographers and their subjects. Security became paramount. And she was appalled by the vulgar behaviour of young press photographers. "It was a gradual change," she says. "That graciousness, that dignity, went out."

When she saw a gang of photographers barging their way into an embassy party it was the last straw.

"I stopped taking pictures immediately," she says. That was in 1970.

Widowed in 1969, she left Delhi to live with her son in Rajasthan. And there, years later, after a family row, she emptied her trunk of photographs and negatives, and set fire to them. "My daughter-in-law said: 'Oh, so much of rubbish,'" she says.

"I got very angry. So I burnt them. I never thought anybody would want to see my pictures. I lost so much good photography. What I have today is hardly 30

per cent, no. 30 per cent. All the best of my negatives are gone."

Her work and her name remained forgotten for two decades. Then Satish Sharma, a photographer and critic, stumbled upon a reference to her and tracked her down to an upstairs flat in the small town of Baroda.

He was amazed at what he saw. "Here is a photography collection which is invaluable in more ways than one dares to enumerate," he says. "This is photography at its pure best - documentary work that rises above being a mere record."

He persuaded her to put on an exhibition in Delhi. Its success brought Vyrawalla's work back to the public eye. She is now acclaimed as one of India's greatest photographers - celebrated for the informal composition and intimacy of her images, the trademark daylight flash which reveals tones lost in the harsh glare of the Indian sun.

But there is no permanent collection of her work, no catalogue, and what remains could be lost forever on her death. She would like to donate her work, but to whom? India does not have a national photography archive.

"I do not crave remembrance," she says. She laughs when she tells of burning her prints, like a schoolgirl trying to explain her way out of trouble. And she has few regrets. "Photographers have got all the advantages today, you know, gadgetry, all sorts of things we never even dreamt of," she says. "I was in the right place at the right time, those years when everything was happening. That was my advantage."

## Heartbeat: why do you miss?

We cannot fake emotions - we advertise them on our face and body. Steven Pinker explains

The telecommunications age has forced us to confront a great irony. Long-distance phone service, electronic mail, facsimile and videoconferencing should have made the face-to-face business meeting obsolete. But meetings continue to be a big expense for corporations and support entire industries such as hotels, airlines and rental cars. Why do we insist on doing business in the flesh?

The answer may lie in a combination of the dynamics of conflicts of strategy and the evolutionary psychology of human emotions.

Most business transactions involve some elements of bargaining, promising and threatening. But promises, threats and bargains are always in danger of being second-guessed as double-crosses, bluffs and lowballs. Economists and mathematicians who study the theory of games have long pointed out that in these situations the advantage does not always go to the side with the most rationality and freedom of choice.

Take bargaining. When two people haggle over a car or a house, there is usually a range of prices that the buyer and seller would both accept. Even if a price is not the best for one party, it may be preferable to cancelling the deal outright.

Each side is vulnerable to being forced to settle for the worst acceptable price if one side is sufficiently inflexible. The trick to coming out ahead is to sacrifice freedom of choice. A car dealer can appoint a salesperson who is not authorised to sell at less than a certain price even if he says he wants to. A home-

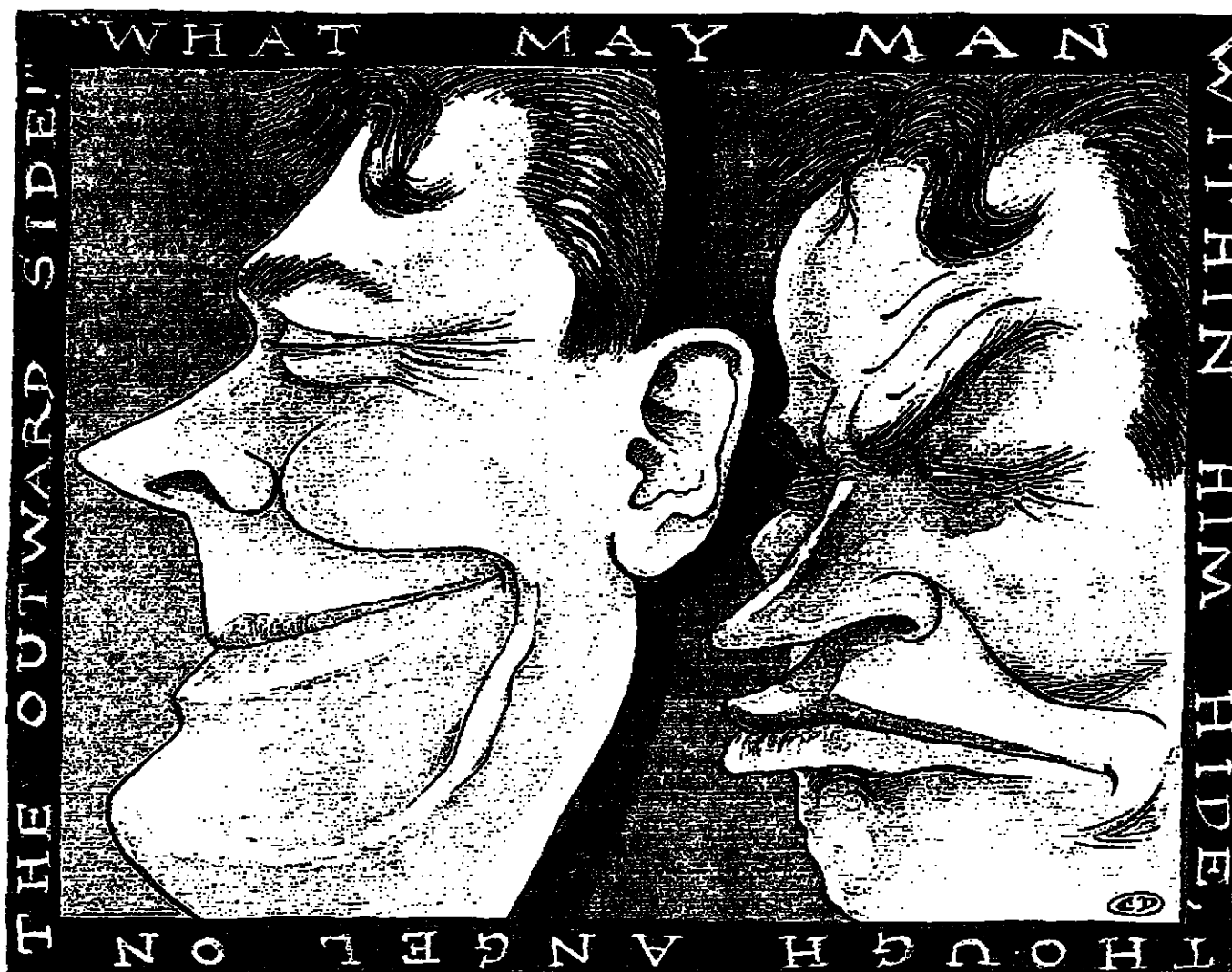
buyer cannot get a mortgage if the lender's appraiser says he is paying too much, and can exploit that powerlessness to get a better price from the seller.

These are external constraints, but internal constraints, in the form of irrational passions, can work in a similar way. Suppose a bargainer publicly announces he will not pay more than a certain amount for a house, and he could not tolerate the shame of going back on his word. The intolerable shame is like the unobtainable mortgage, and if he is the only prospective buyer, he will get the house at his price if it is in the range that is better than nothing for the seller.

These paradoxical tactics also enter into the logic of promises. A promise can secure a favour only when the beneficiary has good reason to believe it will be carried out. The promisee is thus in a better position when the beneficiary knows that the promisee is bound by his promise. The law that empowers banks to foreclose on a mortgage makes it worth the bank's while to grant the mortgage, and so, paradoxically, benefits the borrower.

Again, passionate emotions can do roughly the same thing as enforceable contracts. If Mother Teresa offered to sell you her car, you would not insist on a guarantee, because presumably she would have been constitutionally incapable of cheating you.

Threats, too, are credible only when the threatener has no choice but to carry out and the target knows it. Otherwise, the target can threaten the threatener right back by refusing to comply. A hijacker who threat-



ens to blow up an aircraft if anyone tries to disarm him will have a better chance of seeing Cuba if he wears explosives that go off with the slightest jostling. And again, a headstrong emotion can help in the same way. The hot-headed who can figuratively explode at any moment may enjoy the same tactical advantage as the hijacker who can literally explode at any moment.

These examples, of course, are contrived, and in real life we recognise the tactics to avoid those who practise them; we choose to do business with someone more reasonable. Still, even in the most reasonable people, some degree of stubbornness or emotional commitment to principle, even if it is self-defeating in the short run, can be an advantage in the long run.

The problem in enjoying the advantage is how to convince a partner that an emotional commitment is real. If passionate emotions are guarantors of

threats, promises and bargaining offers, then advertising is their reason for being. And that might explain one of the longest-standing puzzles in the science of the emotions: why we advertise them on our face and body.

But here a new problem arises: real emotions create a niche for

emotional expressions, real and fake, become worthless.

Facial expressions are useful only if they are hard to fake. As a matter of fact, they are hard to fake. People don't really believe that the grinning flight attendant is happy to see them. That is because a social smile is formed

controlled voluntarily, and the genuine expressions are hard to fake.

This only raises the question of why we never evolved an ability to control our expressions. You can't just say that it would hurt everyone if counterfeit expressions were circulated. True, but in a world of honest emotions the faker would prosper, so fakers should always drive out honest ones.

Biologists often confront this problem in explaining signalling in animals. How can honest signals, such as cries, gestures and advertisements of health, evolve in a world of would-be fakers? One answer is they can evolve if they are too expensive to fake. For example, only a healthy peacock can afford a splendid tail, so healthy peacocks bear the burden of a cumbersome tail as a display of conspicuous consumption that only they can afford.

When the healthiest peacock displays, the less healthy ones have no choice but to follow,

**'People don't really believe that the grinning flight attendant is happy to see them. That is because a social smile is formed with different muscles'**

sham emotions. Why whip yourself into a lather when you can "stimulate" a lather, convince your adversaries of your steadfastness, and not pay the price of following through on the implicit threat if they happen to call your bluff? Of course, when counterfeit outbursts and displays begin to drive out the real ones, people call each other's bluffs and the

with a different configuration of muscles from the genuine smile of pleasure.

A social smile is executed by circuits in the cerebral cortex that are under voluntary control: a smile of pleasure is executed by circuits in the limbic system and other brain systems and is involuntary. Anger, fear and sadness, too, recruit muscles that can't be

because if they hide their health altogether the peacocks will assume the worst, namely that they are at death's door.

Is there anything about emotional expressions that would make it inherently costly to put them under voluntary control? Here is a guess. In designing the rest of the human, natural selection had good engineering reasons to segregate the voluntary, cognitive systems from those that control housekeeping and physical-plant functions such as the regulation of heartbeat, breathing rate, blood circulation, sweat, tears, and saliva.

None of your conscious beliefs are pertinent to how fast your heart ought to beat, so there's no point in letting you control it. In fact, it would be downright dangerous, since you might forget to pump when you got distracted, or you might try out your own hare-brained ideas on what the best pulse rate should be.

Suppose natural selection handcuffed each emotion to a physiological control circuit, and the activity of the circuit was visible to an observer as flushing, blushing, blanching, sweating, trembling, quivering, croaking, weeping, and the facial reflexes. An observer would have good reason to believe that the emotion was genuine, since a person could not fake it unless he had voluntary control of his heart and other organs.

The handcuffing may have been easy in our evolution, because the main human emotions grew out of precursors (anger from fighting, fear from fleeing, and so on), each of which engaged a suite of involuntary physiological responses. And once the handcuffs were in place for honest emotions, everyone else would have had little choice but to do them too, like the unhealthy peacocks forced to muster tails. A chronic poker face would suggest that the emotions a person declares in word and deed are shams.

This theory is unproven, but no one can deny the phenomenon. People are vigilant for sham emotions and put the most faith in involuntary physiological giveaways. And that may resolve the paradox of why we insist on doing business in the flesh; we do not trust someone unless we see what makes him sweat.

Steven Pinker is professor of Psychology at the Massachusetts Institute of Technology and author of *How the Mind Works* (Penguin, \$29.95). To order at £8.99 inc. p.p. (UK) call FT Bookshop 0181-324 3511.

## Bin it, bag it or (glass) bank it? The mind boggles

As the neighbours look on disapprovingly, Sandra Carole Crook finds garbage disposal in Bavaria rather demanding

Frosty glances from my new neighbours alerted me to the fact of my misdeed, though not as to the substance of it. That, apparently, is the Bavarian way.

Shortly after our relocation there, I was very much an *Auslander* in all matters social and, it seemed, environmental, since it was here that I had transgressed. I realised this when for the third consecutive week for our domestic waste lingered on the pavement while everyone else's was transported away by the refuse collector. Creeping out in the dusk to retrieve it, I knew I had to solve the problem.

Hence my visit to the *Abfallberatung*, or Waste Advisory Centre, where it became disconcertingly clear that I was guilty of serious ecological shortcomings.

At the *Abfallberatung*, under the enthusiastic guidance of two young employees, Karl and Hildegard, I was to learn about domestic refuse separation. Each administrative region, they explained, managed environmental waste recycling in its own way. My initial tripartite efforts (biological, recyclable and "not entirely sure") might be

acceptable elsewhere in Germany, but not in Bavaria, where higher standards applied.

Not only should you know how to sort your waste, they added, you must know when and how to put it outside for collection. They set about my induction.

It seemed I had almost conformed to the "bio" rules, with the exception that such waste should be wrapped only in uncoloured, non-coated paper, before consigning to a large brown wheeled bin, for collection weekly on my designated day.

Synthetic waste, it seemed, was much more complicated. Strictly speaking, synthetic mouldings (yoghurt pots, chocolate box trays, detergent bottles, etc) should be separated from simple plastic waste such as carrier bags, onion nets and sweet wrappers, and also from composite synthetics (foil and plastic vacuum wrappers, milk and juice cartons, etc).

I listened in amazement as my mentors added sadly that, quite unreasonably in their view, the townsfolk had proved either unable or unwilling to co-operate.

In future, all three categories of synthetic waste should be bundled together in yellow polythene sacks on the fourth collection day of each month.

My new friends brightened considerably, however, over paper waste. Clean newspaper, magazines, stationary and cardboard boxes were all recyclable, and, they urged, I must be sure to remove plastic see-through windows from envelopes before consigning them to an enormous blue wheeled bin on the *third* collection day each month. "Oh absolutely," I enthused.

I thanked them, turning to go. "Now," said Hildegard, tossing her honey-coloured braid confidently, "to glass we come."

As in England, bottle banks for



brown, green and clear glass were situated at strategic points. But I must put the plastic screw tops with my synthetics waste, and metal bottle caps with my metal waste.

"Which metal waste?" I asked weakly. I should, it seemed, wash all tin cans and then take them to the metal skips placed next to

the bottle banks. "But," said Karl, waving an admonishing finger at me, "never on Sundays, public holidays or before 7am and after 7pm weekdays."

I muttered my thanks, and backed towards the door. "Moment, bitte," said Hildegard disapprovingly, clearly sensing a lack of commitment on my part. "Yet must we the *Restmüll* discuss."

*Restmüll* items (light bulbs, nursing waste, vacuum cleaner dust, cigarette stubs, leather, rags and small electrical appliances, etc) had, unbelievably, not been covered by the earlier categories. Large black wheeled bins designated for *Restmüll* are collected every other week. I could feel a hot flush coming on.

"Now," said Karl, nudging a chair behind my buckling knees, "need you the disposal of remaining waste to understand."

And so I digested the fact that I

must personally take such items as weedkiller, nail varnish, corrosives, solvents, gasoline, halogen bulbs, insecticides, medicines, etc, to the waste disposal plant on the *first Saturday morning* of every month.

Then, clutching a colourful supply of polythene sacks, an illustrated calendar, and an explanatory leaflet to summon total recall for this electrifying subject, I was permitted to leave. After a few false starts, duly rewarded by having an appropriately ticked pre-printed infringement list slapped on to my wheeled bin, I eventually got the hang of it. Guests from overseas, however, seemed to share my initial puzzlement.

I compiled an alphabetic reference chart and pinned it above the six refuse containers in our utility room. Visitors grumbled, but usually the prospect of watching me sort

through the contents of their bedroom/bathroom waste baskets proved sufficient incentive to conform. By the end of their stay, our friends could be seen, bin in hand, in the utility room, swiftly dealing out their rubbish like expert card-sharps.

Unfortunately, no such advice centre deals with the "social" issues. After further hands on hip, head-shaking neighbourly demonstrations of disapproval, we finally latched on to these. You may not, it seems, use noisy gardening or DIY implements between noon and two o'clock Monday to Saturday, and on pain of a visit from the police (so said a friend, who learned the hard way), throughout the whole of Sunday. On Sundays, you should not even consider hanging out washing, airing your bedding or washing your car.

Perhaps that's why most shops in Germany close at 2pm on Saturday - so you can tackle your DIY, gardening and laundry activities during the remainder of the afternoon. That leaves you free all day Sunday to contemplate God or the Green party, whose fault it probably was in the first place.

**Classified Information**



# Rain parade

The umbrella will never be all dried up, says Edward Lamont. As luxury weather weapon it has a history and a future

Given its history, we shouldn't be quite so dismissive of the umbrella. Umbrellas were carried as sun-shielding parasols for - never by - Asian nobility as far back as 1200BC. But it wasn't until the early 18th century that they made their appearance in England. When philanthropist Jonas Hanway took to totting one, about 1750, they were popularised - and ridiculed. Pious observers viewed umbrellas as an insult to "heavenly rain", while sedan chair-carriers saw them as more earthly competition. Now, in a complete inversion of its purpose, it has become the instantly recognisable trademark (particularly when paired with a bowler hat) of the small wet island in the North Sea known as Britain.

The umbrella soon became a must for the well-dressed man, proof of his wealth and refinement. But it was rarely opened. Actually using a brolly was considered bad form. Today, thank heaven for progress, you can both carry and open your umbrella with impunity. (Except, of course, if you are superstitious, and indoors.)

Whether umbrellas can alter your luck is unclear, but their ability to control the weather is well established. Everyone knows that dragging one around all day ensures clear dry conditions. Leaving it on the bus is a foolproof guarantee of precipitation. Umbrellas are one of the few items of modern life that need never fear extinction or obsolescence in the computer age. They reached the apotheosis of their development well over 100 years ago and, while materials have changed slightly over the years, the last radical design change came in the middle of the last century, when S. Fox developed hollow metal frames to replace the steel

and whalebone common at the time. As with laptops, the aim of umbrella innovation has always been to reduce bulk and weight. But less prosaic improvements - in material and technology - have produced a rainbow of shapes, sizes and colours. There is the corporate message umbrella, for instance. Big enough for four people, logos screaming from every panel, it is usually found pitching for business from the boot of a Mercedes estate in the Cotswolds.

**"Whether umbrellas can alter your luck is unclear, but their ability to control the weather is well established"**

And there was the American Brock-a-brella of the late 1970s, a multi-coloured umbrella-hat that folded out to reveal an elastic headband which held the miniature contraption steady on the wearer's head. It was an interesting idea, but even Americans could not summon the disregard of dignity required to wear it, despite the televised interventions of baseball hero Lou Brock.

A more successful model is the golf umbrella, which expands to about 5ft in diameter. Its pointed tip - for spearing the ground - is the closest one can come to these days to the once popular sword umbrella, one of several deadly refinements in the umbrella-maker's art. Others included a single-gauge shotgun umbrella, and the quintessential Cold Warrior's tool: a poisoned pellet firing umbrella, infamously employed with

lethal results on the Bulgarian dissident Georgi Markov on London's Waterloo Bridge in 1978. Sword umbrellas have been banned (though you can find less deadly things secreted away in an umbrella today - a tiny golden pencil for race days, or a slimline flask and cups for a discreet tippie). With the advent of affordable water-tight transport - cars - use of umbrellas has declined over the past half century.

Today only a few specialist shops survive, producing elegant, if not Bond-worthy, variations on a theme. At the bottom end of the price scale the umbrella shaft is a metal tube, fitted with a wood or cane handle. More expensive versions have both handle and shaft formed from a single piece of steamed and formed hardwood. In between, there are so-called two-piece umbrellas, with handles in malacca cane, whangsee, furze, or anything else you might fancy, and shafts made of ash to add strength, which the handle often lacks.

Refinements include spring loaded tip-cups for holding the tips in place when the umbrella is closed but not yet wrapped up in its cover, and a variety of bone inlays and bronze overlays on the wooden handles. Swaine Adeney Briggs in St James's, which has just been awarded the Royal Warrant as umbrella-supplier to the Prince of Wales, produces the Briggs umbrella, perhaps the world's most famous rain protection. But the cachet of swinging the same umbrella as both Prince Charles and John Steed will cost you; the Briggs sells for between £125 and £495, depending on your choice of materials.

Most umbrellas today are made from nylon, but the Briggs is still offered with a hardy water-resistant silk covering. James Smith & Sons in New Oxford Street is the self-styled "world's most famous umbrella shop", and has been trading from the same museum-like premises since the middle of the last century. It is a quaint old place, with plenty of time-worn wood and glass cases bearing witness to its age. On sale is a range of umbrellas with handles made in leather, cane, or a variety of hardwoods, all of which are cut down to fit the buyer before

sellers offer an engraving service to personalise the silver band around the handle and help you hang on to your investment.

Apart from umbrellas from these three, which do much of their own production, most sold in England are imported. The cheaper varieties come from Asia, those of better quality from Italy, Louis Vuitton, Connelly and Fortnum & Mason all import from Francesco Maglia, a delightful fifth-generation Milanese umbrella-maker, who produces only hand-made goods and exports worldwide. Maglia can hardly bear to see the state into which the industry has fallen. "The quality umbrella is disappearing. When I see a Rolls-Royce or a Mercedes parked in the street, and notice a cheap

give-away umbrella from the automobile club in the back window, I can hardly believe it," Maglia says sadly.

In New York, though throw-away umbrellas - available on any street corner in a storm - epitomise the American ethic of built obsolescence. Uncle Sam Umbrellas upholds the flag for quality. It is the only store of its kind left in the US and imports much of its stock from Asia, but it also carries umbrellas from some of the best European producers for far less than they cost in Europe.

Paris still counts several specialist shops, the best known of which is nothing more than an overgrown broom closet on the Boulevard St Germain. The stately Madeleine Gely stocks hundreds of

umbrellas in a space where the opening of just one of them entails other shoppers moving out into the street. She sees umbrellas as much more than just implements for keeping the rain off. "Our goal is for people to think of umbrellas as accessories. A well-dressed man or woman carrying a cheap umbrella is no longer well-dressed. It ruins the entire effect," she says.

Gely, and others, would urge you to reconsider the umbrella. Treated as both a necessity and a luxury, at once functional and frivolous, given the chance the umbrella can do more than just battle against the elements. It's already been doing that for thousands of years, and winning.

T. Fox & Co, 118 London Wall, London EC2; 0171-406 4720 (E35-E163). James Smith & Sons, 53 New Oxford Street, London WC1; 0171-436 4731 (E30-E35). Swaine Adeney Briggs, 54 St James's Street, London SW1; 0171-409 7277 (E125-E495). Uncle Sam Umbrellas, 161 W. 57th Street, New York, NY; +1 212 582 1976 (E11-E300). Maglia Francesco, Milano, Italy; +39 02 5810 1127. Madeleine Gely, 218 Boulevard St Germain, Paris 75006; +33 1 4222 6335.

There was an Old Man in a tree,

Who was HORRIBLY BORED by a Bee;

When they said,

'DOES IT BUZZ?'

he replied, 'Yes, it does!'

'It's a regular BRUTE of a bee!'

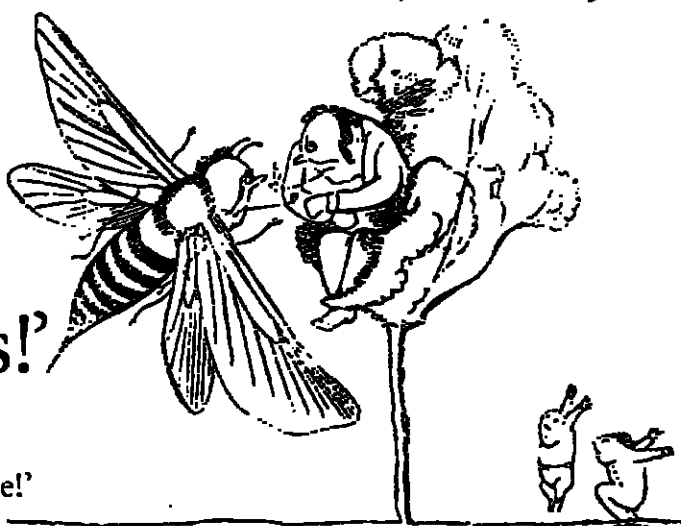


Illustration taken from Cresswell Library Children's Classic. A Book of Nursery by Edward Lear

## Make your hair Bee-have

Holly Finn finds a high-flying New York crimper's products successfully smooth her mane

There is nothing like getting one step closer to your ideal person. By that I don't mean the person you would most like to be with, I mean the one you would most like to be. My ideal person knows how to juggle and has sleek hair - the kind that is glossy, that curls coily, that swings. Just like in the movies.

The locks I live with are another, drier story. When hairdressers say they envy the thickness of my hair, I know they mean well. But, unwittingly, they are stomping squarely on my dreams. Their on-the-job niceties just remind me of the neat pony-tail I will never have.

Then, in New York City two weeks ago, I visited hairdresser John Barrett at Bergdorf Goodman and he gave me a cut precise as a surgeon's. Women who have been Barretted want to take him home and keep him in scissors. Though you can't do that, you can buy his products. They are well worth it.

Since my visit, I have been trying out some of the range (available in the US and, from this month, in the UK exclusively at Harrod's).

At the moment there are eight products in the line (with four to be

added this year, 22 in total by 2001). All are packaged in retro light blue and moss green tubes. The screw caps are made of cherry wood, a touch that would be the perfect echo of David Collins's design for Barrett's salon in New York, except the glue used to attach good-looking wood to proletarian plastic underneath is not as shower-friendly products probably should be - water-resistant. The wood falls off.

Inside the tubes, though, nothing goes wrong. Barrett's Air Repair Shampoo (£17.95) and Air Condition conditioner (£22.95) are a great team for cheering up worn-out hair. Their ingredients include fortifying ceramide, conditioning algae, soy protein to oxygenate, and vitamin C to protect against UV damage by the sun. That may mean nothing to you, but this will: these products work, making your hair look and feel as mellow as your body does after a massage. Smooth.

(And unlike many, Barrett's salon is not just about marketing. It is the first to explain why conditioner always costs more than shampoo for the same number of fluid ounces: the percentage of water is lower in conditioner, and

the percentage of concentrated, costly ingredients higher.)

But it is Barrett's Bee products that have me well and truly bit. Bee Hold (£14.95) keeps your hair in place with none of that blow-torched creme brute effect. Bee Healed is a hair mask (£29.95) that conditions - while you wear it.

Together, and here's the beauty, these bee products turn thick hair sleek. My mane may never rival Rapunzel's silken spillover, but it is closer now than it ever has been. Beeswax and bee pollen are the active ingredients. I have read that pollen is collected by setting up 'in wiring for the honey bee to crawl through on his way into the hive. The pollen kept in pouches behind his back legs is scraped off "harmlessly".

So I have the bee to thank, and John Barrett, for helping me inch closer to my ideal person. Now, juggling. ■ John Barrett will be cutting hair for charity at the Mandarin Oriental Hotel, 66 Knightsbridge, on March 16, 17 and 18. His products are available in the UK at Harrods (inquiries and mail order 0171-730 1234) and in the US at his salon in New York (212 872 2700).

## Cool and crisp, not notorious

Edwina Ings-Chambers finds a modern collection with old-fashioned echoes

Forget *femme fatale*. Think *femme mystérieuse*. "My look is inspired by old-fashioned styles and Hitchcock movies from the early 1950s, where they all wore pencil dresses," says Tania Laurie, who looks back in time and sees romance rather than shower slashings.

Hitch would have loved Laurie. She has no design background or formal training and, perhaps as a consequence, she has a refreshingly simple approach towards her chosen market. ("I wanted to make a dress that looked like my bedroom," she says of the inspiration behind her initial design, a simple cream linen shift with delicate rosebud trim - a style that is now her trademark.)

Her collection is like Grace Kelly - cool and crisp. It is a well thought out and structured range that centres on six basic shapes: four dresses and two skirts, all with co-ordinated separates.

This is dressing that's both sexy and demure. It's a rose-coloured version of women's wear that, since introducing it (under the label "Tania") in May last year, Laurie has sold to the chicest boutiques in London: Browns, The Cross, Mimi and, most recently, Harvey Nichols. Isobel Pennington, buyer for the Contemporary Bridge section, describes the range as "a capsule collection for a sophisticated customer".

Sophisticated it is, high fashion it is not. In fact, Laurie should be called a clothes' not a fashion, designer, because she makes real clothes, for real people, leading real lives - which is one reason she is so meticulous. Every garment is hand-finished and any that don't meet her exacting standards are rejected. No repeat here of an incident I had a few years ago when the hem of a £250 skirt unravelled the first time I wore it.

Linings on all skirts and dresses are in silk, "because silk feels so much nicer against the skin". Fabrics and trims are painstakingly sourced in France. Even the logo design for her label, which was taken from her signature as a child, is colour co-ordinated to match each garment. Dresses are largely variations of the original simple shift. Typical of her range is the three-quarter-length sleeve pencil dress in olive green velvet with rosebud trim around the neck for winter; an exquisite 1940s style wrapover tea dress in the palest beige with tonal floral embroidery for spring; a white linen v-neck with either delicate pearl or coloured beading around the bust and neckline for summer.



Silk, wrapover, embroidered tea dress in pale beige, £295, by Tania

Skirts come in two shapes: pencil or bias, both knee length. Colours are muted (Laurie is not into primaries or pastels). Her only concession to trousers, until she introduced a shantung capri style for summer, are her already popular drawstring loose-legged trousers in pashmina. Cashmere tops and pashmina shawls are colour co-ordinated with the skirts and dresses. All are made from sumptuous fabric, such as silk, linen and velvet cut the wrong way so it has the look of an unusual felt.

Stockists search for words to describe Laurie as they might a young starlet. "There's something unconventional about her and I think it comes across in the things she does," explains Mimi Lowe, proprietor of Mimi and the first to see and stock Laurie's clothes.

"She has a real passion about her work and the confidence to make the

clothes that she likes. She doesn't take fashion itself that seriously."

Indeed, Laurie trusts industry trends less than her personal touch. Of the current craze for beading, she says simply: "Everyone has done beaded knitwear so I'm not doing it!" Instead, she favours her own quirky details, flowers that blossom round the neckline or playful multi-coloured palm trees hanging from a summer skirt's hem.

"I think there should be a return to femininity," says Laurie. That's no mean feat, but for ready-mixed romance, all a girl need do is add a pair of gloves and a Kelly bag - and avoid the shower.

■ Tania is available from Browns, 29-27 South Molton Street, London W1; Mimi, 309 King's Road, London SW3; Harvey Nichols, 67 Brompton Road, London SW3; and The Cross, 141 Portland Road, London W11.

John Barrett



# RETURN of the THIN MAN

Style is a funny thing,  
says Holly Finn.  
Nick and Nora had it  
and so can you.



It's cocktail hour at the home of Nick and Nora Charles. Tragically, the mister is out in the park reading the racing report. Other wives might fret; Nora starts shaking a martini. Within seconds, instinct kicks in and Nick has risen from his park bench to head home.

The maid is knocked out by her boss's sense of timing, or smell, or whatever, so Nora happily explains. "That's Mr Charles, isn't it?" The maid nods. "This is a cocktail, isn't it?" The maid nods again. "They'll get together."

And they do, of course, because in a Thin Man movie they always do. Based on Dashiell Hammett's 1932 book, there were six Thin Man films made in the 1930s and 1940s. Then, sequels had a good name, characters had character, and Nick and Nora Charles - played by William Powell and Myrna Loy - were the dashing couple of sleuths to crowd the screen.

They didn't just catch the bad guy, they looked good, laughed a lot, and always made time for cocktails while they did it. Funny and fashionable, they had style.

Perhaps it's a sense of humour that begets a smash hit like the Charleses - laughs and looks-wise - has less to do with following black and white rules about what to say or wear than with a certain irreverent something. Nick had it with Nora. Nora with Nick. As she says in *Shadow of The Thin Man*: "Oh Nicky, you know you click better when I'm around."

Featured above are clothes to click

by. Like Nick and Nora these goodies are, with a few exceptions, American originals. Their designers and makers take things seriously so you don't have to. (As Chanel said: "Much seriousness is required to achieve the frivolous.")

Pictured top right, our 1930s Nora wears b. michael's torso jacket and pencil skirt in grey Italian wool bouclé (\$1,680), paired with his sky blue ruched leather gloves (\$300). Long-known as a milliner, b.michael recently gave his first runway show in New York. It featured sleek classics such as this suit, perfect for walking the screen goddess walk.

Trailing from her fingers is a bag with signature gold love knot clasp from Kleinberg Sherrill (\$290); a circular box of wood, dyed green, like nothing you've ever seen or held. Screw? Maybe. But something else: completely modern, uptown funky.

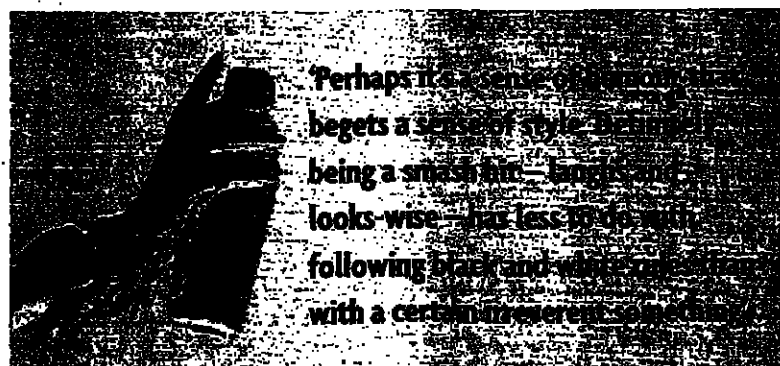
Nick is dapper, as ever, in a John Bartlett navy pinstriped cashmere jacket and trousers (\$1,265), with Thomas Pink royal blue Black Label shirt (\$110); at his cuffs, whimsical race car cufflinks in sterling silver from Mish New York (\$165). Nick's hand-made silk tie is from Distinctive Bookbinding - Pinelider (\$95). Best known for its stationery and leather goods, DB is creative beyond books. It has developed a unique process for marbling leather not just end papers, but leather and silk. This tie is green, patterned with one-of-a-kind Italianate swirls, flecks of creamy yellow and a flash of red. Why wear repetitive animal prints when you can be this well-read?

As always with the Charleses, drinks are, and here Nora gives Christofle's silver cocktail shaker a throw (\$335) and Nick clutches designer Adam D. Tihany's prototype cocktail glass in glass and silver (\$500). Originally designed in 1932, a limited edition of 200 glasses sold out last year. Next month the glass will be reproduced with Christofle silver, and green rather than blue glass details. This autumn, the entire Tihany Collection - a tray

character, was proof that high, lasting style doesn't have to be fictional.

Of an evening, today's Nora appears dressed to the nines (lower right picture). At her neck, on her ears, and round her wrist, Asprey and Garrard's ruby and diamond suite - a festival of dense-packed gems set in a delicate, but unmissable flower pattern - show she means business.

Her form-fitted cocktail dress in jet black Italian wool double-faced crepe is



Perhaps it's a sense of humour that begets a smash hit like the Charleses - laughs and looks-wise - has less to do with following black and white rules about what to say or wear than with a certain irreverent something.

shaker, champagne bucket, wine cooler and cocktail spoon - will be shined up and ready to go.

"You never learned anything in the 1930s. That's a terrible thing I've never said out loud before," wrote legendary Vogue editor Diana Vreeland in her autobiography. Though she admits: "I loved the clothes I had in the 1930s."

Vreeland catches the Thin Man spirit to a T. At once cavalier and well turned-out, her words suit her as well as Schiaparelli did. Vreeland, a real life

ideal for sniffing out the double-crosser (\$1,500). Again from b. michael, it is the little black gown big, with shoulders purposely slipped down and sly. She carries Kleinberg Sherrill's orientalia red satin evening bag with maroon beading (\$780), and an Arle sterling silver case by Christofle (\$235). Once, it would have been filled with cigarettes, now it's business cards.

And wrapped around her, grand-entrance written all over it, is Adrienne Landau's decadent red

devoré kimono with fox collar and cuffs (\$1,975). Landau is the smart New Yorker's secret. She makes "one-size-fits-most cocoons in velvets, cashmeres and wools, both with fur trim and plain". They throw you back, and forwards, to a time when going out meant wrapping all the way up.

That time, this time, calls for style at all hours. Tennis shoes on the way to work? Shame. Taste doesn't stop and start, it's open all night or not at all.

In the movies, Nick occasionally got shot, but that never stopped him from looking relaxed. Here (main picture), he wears Fernando Sanchez tan silk jacquard pyjamas (\$387) and matching quilted button-front jacket with mandarin collar (\$363). It may not be bullet-proof, but it's sure got backbone.

On his feet are a pair of black velvet slippers by Stubbs and Wootton. Hand-embroidered with gung-ho Rumba dancers (\$185), they've got rhythm.

Meantime, what's a dame to do? With Connolly's leather Ladies' Toolkit (\$2,000), chock-full of the highest quality maintenance tools - from Jo Malone colognes and skin care products to brushed steel nail equipment and an alarm clock - Nora makes plenty of time for lounging.

She's mighty feminine in a Fernando Sanchez beige silk crepe-back satin gown with train (\$1,325) and an array of Asprey and Garrard jewels. Round her neck is the multicoloured Daisy necklace in 18-carat white gold, set with amethysts, blue topaz, citrines, peridots, rhodolites and diamonds (\$21,700), matched by earrings.

Sprinkled in her hair are Daisy pins and brooches of blue topaz, diamonds and white gold (from \$1,550 to \$22,950) - all reminders that style is where you plant it.

Stockists: Adrienne Landau, available at Saks Fifth Avenue, Neiman Marcus, Bergdorf Goodman, and Henri Bendel, Asprey and Garrard, 725 Fifth Avenue, New York, NY (212-683 1811) and 167 New Bond Street, London W1 (0171-493 6767); b. michael, available at Saks Fifth Avenue and Neiman Marcus (inquiries: 212-221 9400); Christofle, 373 Park Avenue South, New York, NY (212 683 4616); 10 Hanover Street, London W1 (0171-491 4004); Connolly, 32 Craven Road, London SW1 (0171-235 3883); Distinctive Bookbinding - Pinelider, 53 East 58th Street, New York, NY (212 688 8777); Fernando Sanchez, available at Saks Fifth Avenue, Neiman Marcus, Bergdorf Goodman, and Tatters, 74 Fulham Road, London SW3 (0171-594 1532); John Bartlett, available at Barneys and Saks Fifth Avenue Stores; Kleinberg Sherrill, available at Kleinberg Sherrill Boutique, 35 East 65th Street, New York, NY (212 734 3500); Stubbs and Wootton, 22 East 72nd Street, Third Floor, New York, NY (212 734 3500); Thomas Pink, 520 Madison Avenue, New York, NY (inquiries: 1-888-336-1193) and at UK shops (inquiries: 0171-495 2202).

Photography: Patty Lehan  
Models: Laura Jane, Brandon Fox  
Hair: Howard Scott for Kinglet NYC  
Make-up: Adrienne Mahnke



## FOOD AND DRINK



WINE JANCIS ROBINSON

## Why we should rush for the '97 white burgundies

Jancis Robinson eyes the plump, flattering, easy bottles from the far south – the Mâcon, Pouilly-Fuissé and St-Véran

A recent gallop through some of the finest names in white burgundy and California Chardonnay revealed some surprises, and some confirmations of cherished prejudices.

Many of the grander 1996 white burgundies are extremely hard work at present. They will eventually be very fine wines indeed, for as well as having that omnipresent brightness and piercing acidity, most of them have exceptional concentration too. The 1996s should provide stunning drinking in two to six or more years' time.

For the moment, we should all be rushing to lay our hands on the plump, flattering 1997 white

burgundies, especially those lovely, easy bottles from the far south – the Mâcon, Pouilly-Fuissé and St-Véran area that boasts such a concentration of high achievers.

The 1996s will make delicious old bones, too, but Côte d'Or wines are probably best kept until the 1997s are drunk. Prices for the 1997s look relatively high, but the 1998s are extremely unlikely to provide great value.

Those with unlimited access to 1992 white burgundies and some surprisingly successful 1991s must be feeling rather pleased with themselves. The best 1993s are also drinking well now,

although a (distinctly unfair) comparison between 1993 Corton-Charlemagne of Côte d'Or in regular bottles and Louis Latour in halves suggested the latter may be ageing faster than might have been expected.

Even a wine as basic as Bourgogne Blanc 1993 from Côte d'Or is by no means tired, although was put in the shade by another 1993 from an even humbler appellation, a wine I would never have pulled off a shelf or wine list, Hautes Côtes de Nuits Blanc from Jayer-Gilles which is carrying its charge of toasty oak extremely gracefully.

A comparison of top California Chardonnays on the other hand,

served merely to confirm the supremacy of Kistler. Kistler Durrell Vineyard 1994 blew off the table, as they say, the once-lauded Beringer Napa Valley Reserve and, to a lesser extent, An Bon Climat Le Bouge from the same vintage. That 1994 Durrell (unlike the 1991) will run and run.

From next week, I promise to shut up about Wine Relief, the British wine world's attempt to raise £1m via wine-related activities while adding to the great British public's appreciation of this wonderful liquid.

But I would be failing in my duty if I did not draw the atten-

tion of FT readers who work in – or who will visit – the City of London, to next Friday's Red Nose day. The day forms the focus of fundraising for Comic Relief, the charity umbrella organisation which includes Wine Relief. This is a unique opportunity to commune with nature in a particularly sensual and vinous way.

The stereotypical Comic Relief participant dons a bright red nose, but Friday's City Stomp offers a chance to acquire bright red toes instead.

The stomp takes place at the Port Wine Institute, which is organising a giant grape-treading session at the Honourable

Artillery Company, Armoury House, City Road, between Moorgate and Old Street Tube stations, London EC1 between noon and 3pm on Friday, March 12.

There will be ample opportunity to taste port, Portuguese wines and beers, experience the traditional port-making process, win a trip for two to Oporto and wind down from a busy week.

Grapes are being supplied by New Covent Garden Market. A replica of the traditional lagan in which ports are trodden has been supplied by P D Rotomouldings. A few spare pairs of shorts have been supplied by Marks and Spencer for those who experience a last-minute urge to stomp

– but those who know in advance that they want to experience the ancient art of grape treading are asked to bring shorts and T-shirts. Washing facilities are available.

I am ashamed to say that this will be the first time I have done anything practical which could even vaguely be construed as wine-making. (Although the institute is keeping understandable by quiet about what it intends to do with the liquid that results from our labours.)

Entry is by a minimum donation of £3 to taste and £5 to stomp. Participants must pre-register with Sue Hall (tel: 0171-409 0494, fax 1018).

COOKERY PHILIPPA DAVENPORT

## A bird in the hand

The season for game birds is well and truly over. It is too soon to consider Easter chicken. So, the bird to which my culinary thoughts turn is pigeon. They are hard to avoid in my garden just now. Pigeon courtship is noisily evident with wing clapping, cooing and a strange sort of floral dance.

I feel half inclined to take a gun to them, but these lovesick birds are not in the best eating condition. Although large, they are somewhat scraggy. Pigeon make far plumper and sweeter eating if culled when they have feasted on the fat of the land, not a diet of dainty flower petals, but greedy helpings of ripening grain pillaged from farmers' fields, sugar-sweet peas and other prize vegetables

stolen from kitchen gardens. So I shall skip the chance to indulge in a little target practice this month, and delve into my freezer instead to draw on birds shot and put to icy bed when they were in their prime several months ago.

Cooks who do not shoot their own suppers will find last autumn's bag of wild pigeon conveniently ready-plucked, drawn and packed in twos in the freezer cabinets of good supermarkets. Full of meaty flavour, they make a good buy.

The recipes which follow use pigeon breasts only. Save the rest of the birds for the basis for substantial and heartwarming soups – laced with, say, leeks, carrots and barley or bacon and caraway scone dumplings.



Leon Reding's 19th century painting 'Plucking the Pigeon'

## PIGEON, FOIE GRAS AND SHREDDED SAVOY WITH PUY LENTILS

(Serves three to four)  
This is not so much a recipe as a recommendation for a happy assembly of four team-mates. Pigeon is one of the cheapest meats, fresh foie gras of duck is one of the most expensive. Savoy is the king of cabbages, Le Puy lentils are the best in the world. If you cannot find or afford foie gras, substitute calves' liver.

The breasts of 2 plump pigeon, skinned and carefully stripped of sinew; 6 small slices of fresh raw foie gras of duck; half a Savoy cabbage, cored and finely shredded; 120-150g Le Puy lentils; a small knob of butter (or fat taken from a jar of duck confit); a little well-seasoned flour.

Rinse the lentils and boil them in light stock or unsalted water. When they are nearly cooked, start on the meats and prepare to steam the cabbage.

Melt the butter (or duck fat) in a hot frying pan. When the butter foam dies down, add the pigeon

breasts, cut side down, and fry over moderate heat for nearly 1 minute. Turn the meat and seal the second side as before. Reduce the heat to minimal and fry as gently as possible for 2 minutes on each side. Let the meat rest in a warm oven.

Dust the liver with well seasoned flour and sauté it very briefly on both sides. Do not overcook or the liver will melt to a pool. Remove the hot seared liver; let it rest and keep warm with the

pigeon for four to five minutes. Blot the steamed cabbage dry, then anoint it by turning the shredded leaves in the wonderful fat in the frying pan. Season and transfer it to a serving dish. Slice the pigeon breasts in half horizontally and arrange them on the cabbage, interleaved and overlapping with the foie gras. Drizzle over the top any juices exuded by the meats during resting and slicing. Serve with the lentils on the side.

Through the green alcove curtain people in the restaurant are tucking into the house special – sizzling steaks and Brussels sprouts. Great clouds of steam cloud the tables. Elderly Chinese waiters pad about in oversized shoes. When they bring the bill they stand threateningly at your shoulder. "No service included," they shout.

The Coliseum is a modest establishment. A double room – noisy but clean with air-conditioning or ceiling fan, costs M\$40 (£7). A sizzling steak is M\$28; a poached egg, hammocked in soggy toast, is only M\$3.

For an early evening snack I have a plate of ikan-bilis – small fish deep-fried with chilli and shallots. The Chinese man folds his racing page and talks of old haunts.

Le Coq d'Or, a double storey restaurant in Kuala Lumpur's business district, clings miraculously to life. Here, beneath tower blocks which include the world's two tallest office blocks, meals are produced in the old-fashioned way. Mulligatawny soup and gammon steaks. Bombe Alaska and apple pudding, with custard. The last item on the menu is "Camembert cheese and biscuits: M\$13 per tin".

The waiters at the Coq d'Or outdo those at the Coliseum in rudeness. Woe betide the diner who pauses over the soup. It will be snatched away, the next course immediately slammed down in its place. Big fans send tablecloths flying. Out on the generous verandah regulars play cards or snooze the hot day away.

My friend tells me the Eastern and Oriental hotel in Penang has gone. It is like hearing of the death of a dear old friend. "All they saved was the front, everything else – the bar, the old lift, that wonderful seafont garden – has disappeared." No funeral oration could be more sad.

EATING OUT

## Familiar faces in friendly, peeling places

Kieran Cooke finds he's still a regular when he returns after three years to Kuala Lumpur

The curtained door swings open. Outside, the heat, noise and jostling crowds of central Kuala Lumpur. Inside, the blast of air-conditioning and the squeak of an overhead fan. I approach the bar. "Back again?" says the Tamil barman.

It is three years since I've set foot in the Coliseum café and hotel. In moments the shiny cocktail shaker is rattling away; this is the home of the world's best Singapore Sling.

South-east Asia is careless with its past. In the rush to develop, old buildings are flattened, cherished institutions disappear. Every time I visit Malaysia, I fear the worst. A few of the old venerable places still exist. Several have bitten the dust.

Faces around the bar look familiar. A large Chinese man with Brylcreem hair is studying the racing page. He looks up, nods, points a finger at my half-empty glass. I shake my head: best to take it easy after a day under the tropical sun.

I ask about Mr Wong, the proprietor. There are sad looks. More drinks are ordered. Mr Wong, a life-long tippler, has departed for the great bar room in the sky. "Damn good fellow," says the Sikh. We raise our glasses.

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The E&O was once one of the world's great hotels.

Its three-piece band had been playing each night, with only two short breaks, since 1948. The food was bad, the rooms musty, the tiny swimming pool filled with strange-looking green water. But the hotel had more class than 10 modern, luxury establishments put together. And no one ever said "Have a nice day".

"We are becoming maudlin. At least the old FMS bar in Ipoh is still going," I say. My friend perks up. Ipoh is a quaint town about three hours' drive north of Kuala Lumpur. In the town centre there is a *padang*, a big green area where cricket is played and kites flown. On one side is the black and white colonial club. The FMS – the Federated Malay States bar – is opposite, its peeling front painted indigo.

Opened in 1906, the FMS boasts that it is Malaysia's oldest functioning bar. Its

dark interior is like the back lounge in an old English country hotel. Mr Pang, a jolly figure in a T-shirt and shorts, his big bald head shining like a newly peeled nut, has been serving behind the bar for 51 years.

Two Singapore Slings and two Tiger beers have been consumed. Time to make a dignified exit. The Chinese-man returns to his racing page.

The Tamil with the cocktail shaker grasps my hand. "It's always good to see the regulars," he says. I feel honoured. I just hope the old Coliseum is still there in another three years.

Coliseum café and hotel, Jalan Tunku Abdul Rahman, Kuala Lumpur. Tel: +60 2526270. Le Coq d'Or, Jalan Ampang, Kuala Lumpur. Tel: +60 2428722. FMS Restaurant and bar, Jalan Sultan Idris Shah, Ipoh. Tel: +60 2540551.

## WINE INVESTMENT CHALLENGE

Win £1000 of fine wine

Select a £5000 portfolio from the wines listed below taken from the current Robert Rolls New Year 1999 Fine Wine List. In January 2000 the entry producing the best return will win £1000 of wine of his or be chosen from our New Year 2000 wine list, with £500 of wine for second place and £250 for third.

The Year 2000 wine values will be determined by Robert Rolls and Jancis Robinson based on average prices taken from the Robert Rolls list and those of three other specialist merchants at that time.

£4000 of the portfolio should be chosen from Section 1 and £1000 from Section 2. ...Selections to be within £50 of each limit. Winning entries to be announced by Jancis Robinson in the New Year.

To enter, complete the form and post to Robert Rolls & Co. together with a cheque for £10 payable to "Comic Relief (Wine Relief)". Comic Relief is a registered charity, no 326568.

## Section one

	Units	Total
1996 Latour	1380	
Laeville Lascases	995	
Pichon Lalanne	640	
Grand Puy Lacoste	440	
Porter Carot	280	
Calon Segur	275	
Cantemerle	142	
1995 Mouton Rothschild	1295	
L'Angelus	695	
Calon Segur	395	
Clerc Milon	305	
1990 Mouton Rothschild	1095	
La Mission Haut Brion	1050	
Cinet	980	
Pichon Baron	660	
Pichon Lalanne	640	
1989 Lafite	1120	
Latour	1085	
Mouton Rothschild	1080	
Palmer	720	
1986 Haut Brion	960	
1982 Lafite	2690	
Duoro Beaucaillou	800	
Subtotal:		

## Section two

1997 Chassagne Montrachet 1er Cru Maltroye Nielon	240	
1995 Clos de la Roche A. Rousseau	420	
1995 Clos de la Roche E. Guigal Brune et Blonde	155	
1990 Ch de Beaucastel	480	
1990 Dom Perignon	580	
1970 Taylor	780	
1983 Fonseca	285	
1985 Graham	375	
Subtotal:		
Grand Total:		

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Daytime phone/fax: \_\_\_\_\_

Please send entries to: Robert Rolls & Co., Wine Investment Challenge, 11-12 West Smithfield, London EC1A 9JR. Tel: 0171 248 5382 Fax: 0171 236 1891 e-mail: rollswine@aol.com

Please note: The Challenge is not open to members of the wine trade.

## PARAGON PIGEON WITH ALMOND RICE

(Serves four)  
This is a useful dish for a party as the ingredients are easily multiplied and the cooking effort required is minimal. Serve it hot in winter, or lukewarm as a salad in summer. In either case I partner it with almond rice: 200g basmati rice, boiled, fluffed up and tossed with 50g nibbed and toasted almonds.

The breasts of four pigeons, skinned and carefully stripped of sinew. For the marinade: 1 garlic

clove, very finely chopped; 1 tablespoon fresh lemon thyme leaves; 2 teaspoons oregano; 1 bay leaf; 4 teaspoons capers (preferably the baby ones called non-perilles, bottled in sherry vinegar); 1 dozen olives, stoned and split; 6 prunes, stoned and quartered; 2 tablespoons red wine vinegar; 2 tablespoons olive oil.

For finishing the dish: 3 tablespoons pale muscovado sugar; 2 tablespoons red wine

vinegar; 6 tablespoons stock. Choose a shallow earthenware or porcelain dish in which the pigeon breasts can lie snugly side by side. Put all the marinade ingredients into the dish. Add a good grinding of black pepper and mix well. Turn the pigeon in the mixture, cover and leave to marinate overnight.

Remove the pigeon from the marinade, scraping the flavourings back into the dish. Cook the pigeon in a

hot frying pan over medium heat for just 1 minute on each side to seal the meat. Return the breasts to the dish, tucking them under the prunes and other flavourings, and season with a sprinkling of salt. Measure the finishing ingredients into a small pan, heat gently until the sugar has melted, then bring to a rolling boil. Pour the liquid into the dish and cover with foil. Put in an oven heated to gas mark 2, 150°C (300°F) for 30 minutes to complete cooking.

## PIGEON, PARSNIPS AND MACHE WITH SPICED KUMQUATS

(Serves four)  
Make the spiced kumquats first. They will keep for a week in an airtight container in the fridge. You may think it worth making a double quantity as this spiced fruit also goes well with hot or cold duck, tongue and ham. The breasts of four plump pigeon, skinned and stripped of sinew; 500g peeled weight parsnips (not baby parsnips but youngish ones not cursed with wooden cores); 100g mache (corn salad); 50-60g butter; 4 teaspoons olive oil.

For the kumquats: 100g kumquats; 30g caster sugar;

1 tablespoon wine vinegar (not hot) or chilled. Mix with 50ml cold water; a small cinnamon quill; 1 clove, lightly bruised; 1 bay leaf.

Top and tail the kumquats and slice them thickly, picking out the pits with the point of a knife. Put the fruit in a small pan with the sugar, spices and vinegar. Press the fruit down into the liquid if you can. Bring to simmering point, cover tightly and slip a heat retarder mat under the pan. Cook very gently for 20-30 minutes until the fruit is very tender and translucent. Cool uncovered so the syrup

thickens a little. Serve warm (not hot) or chilled. Turn the pigeon in a small bowl with the olive oil and a great deal of coarsely ground black pepper. Leave for at least 10 minutes.

Peel, dice and steam or boil the parsnips. Drain and dry them when done, then mash them, beating in the butter, salt and pepper to taste.

Seal the pigeon breasts, cut side down in a hot pan for nearly 1 minute. Turn the meat and seal the second side. Then reduce the heat to minimal, and fry as gently as possible for 2 minutes on

each side. Let the meat rest in a low oven for 5 minutes before slicing each breast in half horizontally. Meanwhile wilt the mache (corn salad) leaves. To do this, draw the frying pan away from the heat and turn the leaves in it. They will soften and collapse a little in the residue heat and absorb the modicum of fat remaining in the pan. When the pigeon have been sliced, add to the pan any pigeon juices that collect on the plate and toss the leaves again. Serve the meat on the bed of leaves. Hand the parsnip mash and kumquats separately.

JP 11/15/0







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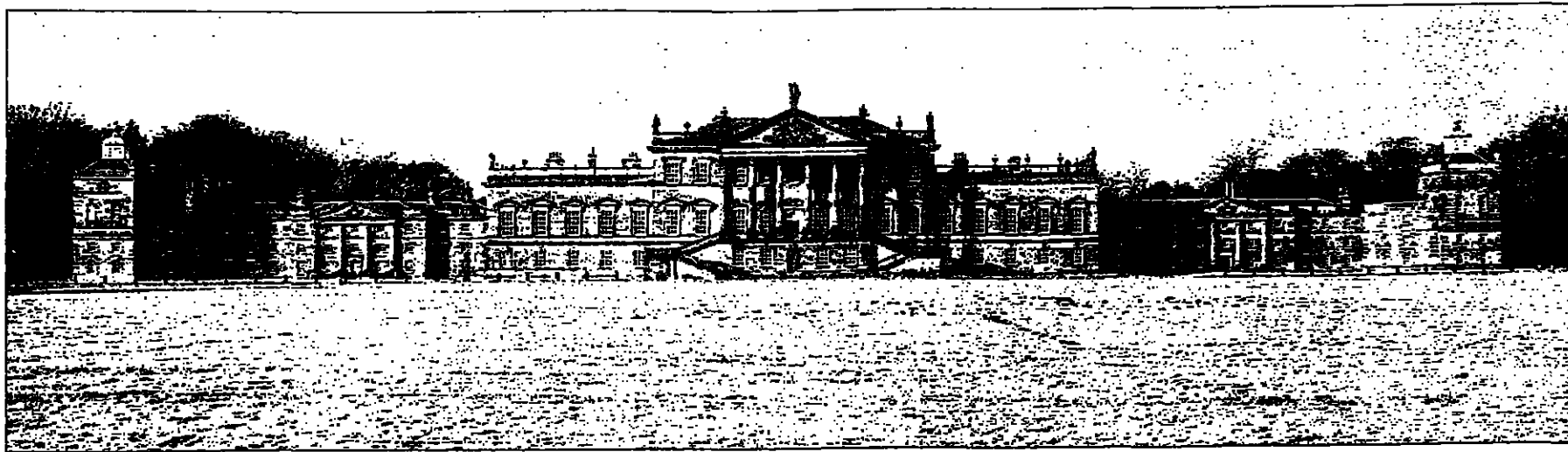
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## PROPERTY / GARDENING



The big league: pay £1,750 a sq ft in London — or £7 a sq ft for Wentworth Woodhouse in South Yorkshire (above and left)

There are half a dozen London houses still unsold from last year at asking prices of £10m plus and now two outstandingly expensive newcomers have joined them on the market.

One of the highest prices ever to be asked for a British house is the £35m attached to 15a Kensington Palace Gardens. The only previous properties to command asking prices of £30m-£40m were two similarly ambassadorial homes in Regent's Park, which were said to have sold to buyers from the Middle East.

The normal rules of valuation in London do not apply to

ON THE MOVE ANNE SPACKMAN

## Newcomers join the ranks of the great unsold

Kensington Palace Gardens. Dominated by embassies and by Kensington Palace itself, it is chiefly a home to diplomats and royalty. Number 15a was formerly home to the Nigerian High Commission.

The imposing building contains 20,000 sq ft of accommodation, including a new swimming pool sunk into an orangery. In terms of size, it is the equivalent of The

Old Rectory in Kensington Church Street, a stunning property in two acres of gardens, which sold for £22m three years ago. Anthony Collet and David Champion, who designed The Old Rectory, have worked on the interior of 15a Kensington Palace Gardens.

The land is owned by the Crown Estate, which is offering an unusually long 99-year lease.

It is at present renovating the gated road and its lodges. The property will be officially launched on to the market by the Crown's agents, Knight Frank, in May, when the work is complete.

The other giant asking price is for an unusual combination of space put together by Sir Evelyn de Rothschild. He is selling 12,000 sq ft in the

Chesham Estate development in Belgravia, which includes a huge basement, a splendid ground floor and a very long lateral flat above. The space has never been converted into a home and remains in shell form.

Sotheby's International Realty is asking £14m, which is expensive even by the standards of that building. The top-quality, finished flats reached £1,000 a sq

ft, but previous attempts to sell shells proved more difficult.

In terms of price per square foot, that looks reasonable compared with the £1,750 being asked for Kensington Palace Gardens.

But anyone looking to buy a mansion in one of the cheapest parts of England would only have to pay £7 a sq ft for Wentworth Woodhouse in South Yorkshire, a

stately home with 82 acres, costing £1.5m from Strutt and Parker and FPD Savills.

One of the few large deals to have actually gone through in recent months was the purchase by Sir Evelyn de Rothschild of a new house in Cheyne Walk, Chelsea, for which he paid nearly £12m.

Activity in the £5m price range in London is reported to be very slow, although Chesterfield has sold one excellent house in the ever popular Chester Square for about £5m. It has also sold three smaller properties in the square for between £2m and £3m in the last four months.

## GARDENING

## Charge of the white brigades

Robin Lane Fox says some snowdrops have a military history, and are all the more glorious for that

Last Saturday, we had a crocus day from heaven when the sun opened the flowers fully and every keen gardener declared the spring season open. This Saturday, snowdrops are on my mind, not so much because they are fading after a wonderful season, but because now is the moment to strike while they are still green and order or transplant the core of a new collection.

The snowdrop's stock stands higher than ever and gardeners with carpets of old, inherited snowdrops appreciate their good fortune. This weekend the flowers are still good on the great sweeps of snowdrops under trees and in light woodland at Hodstock Priory, Blyth, Nottinghamshire, just off the A1. Visitor numbers have been up by 20 per cent this year and already total a remarkable 22,000 without this final weekend in the count.

Snowdrops have been growing at Hodstock for more than a century and in the past 15 years, their presiding angel of the moment, Lady Buchanan, has done much to increase the display. Snowdrops run in the family, back to her husband's grandmother, Lady Beatrix Stanley, who has given her name to a snowdrop, an early-flowering with double petals which sells for £3 a bulb.

Lady Buchanan and her head gardener Kate Carlton have multiplied their snowdrops, not least by dividing many clumps each year, both to increase stock and as a protection against the mouldy botrytis which sometimes rots them. She recommends that you and I divide ours too during the next fortnight.

Connoisseurs of the snowdrop are an attentive and fastidious breed. They will pay £3 or more for a special hybrid and anyone who saw the display of Foxgrove Plants at the recent Royal Horticultural Society February show will be less willing to doubt that the prices are unjustified. From Foxgrove, Enborne, Newbury, Berkshire RG14 6RE, the owners sell an excellent range of unusual singles and doubles and are very willing to supply readers' orders in the next few days where stocks of the less familiar varieties permit.

I asked them to nominate three named varieties which would increase well in ordinary gardens and here is the result. First choice is Hill Poë, a double form at £6 from Ireland which is very easy to grow and is late into flower. Next was the single large-flowered Kettos which has two faint spots at the base of its petals. Lady Buchanan, however, remarks that it has refused to grow with her in her snowdrop sanctuary. The third choice is

**Snowdrops are more expensive if you buy them now, but they can be moved much more successfully and are worth the extra cost**

Mrs Backhouse No 12, another single which has thick outer petals and looks particularly white. It is a good doer, according to another of our great snowdrop experts, Richard Nutt of Great Barfield, Bradenham, near High Wycombe. He believes that it first went on sale through his



Snowdrop Kettos from Foxgrove Plants: one of three recommended to increase well

supply and he considers it a winner.

Are the named, expensive forms more difficult to grow? Many of them probably are not, but they increase rather more

slowly — hence the price, although the main exception is the wonderful Sam Arnott which is now down to £3 a bulb. Nutt remembers seeing thousands of this one variety under a tall deciduous tree in the garden of the great plantsman, Walter Butt.

This fine variety can be quite tall and is large-flowered and vigorous. A site under trees which lose their leaves in winter is ideal for snowdrops. They dislike sun in summer, but they like a damp soil in late autumn and early winter. They also like sun as they approach flowering time. This winter has been a stupendous season for them and they have lasted for weeks on end.

Snowdrops are more expensive if you buy them now, but they can be moved much more successfully and are worth the extra cost.

cost. Foxgrove is a willing supplier in green leaf, as is another national expert, John Morley, of North Green Only, Stoven, Beccles, Suffolk NR34 8DG.

The trade in ordinary varieties has come under pressure recently as the removal of hundreds of thousands of bulbs from the wild

in Turkey has ceased to be acceptable. While the plunderers are being re-educated, the European demand for millions of snowdrops each year exhausts the supply in captivity. I was told, nonetheless, of a woman somewhere in Lincolnshire who has so many ordinary snowdrops that she gives them away by the barrel-load. I suspect she may be a myth.

The great experts liked to doubt another myth in our general books. Snowdrops are often said to have entered Britain in particular varieties during the Crimean war when they were growing all around the camps of our light brigades, waiting for the order to charge. The war was certainly fought in excellent snowdrop country and I have a particular reason for believing

there is a foundation to the story.

The variety most often connected with the army factor was a fine double form called Warham. In the 1890s, it even won a First Class Certificate from the RHS, but it is now thought to have foundered in the 1970s and vanished from general cultivation. Three suppliers do list it, but after so much inter-breeding it may not be the real first-class Warham original.

Experts like to doubt historians' neat stories, but I can vouch for the truth of the Crimean factor thanks to an FT reader some years ago. She wrote to me from Co Kildare in Ireland and confirmed that her ancestor, Lord Clarina, had indeed sent a package of snowdrops home from the war zone to his family. They planted them in 1856 in the gar-

den and they celebrated by mating with the existing local snowdrops and introducing some robust new Crimean blood.

The most famous child is still on sale as Straffan, my personal choice among all named varieties. It flowers quite late, very white and often, but not always, produces two stems of flower. The earlier is said to be closer to the Crimean parent, the later to its Irish ancestor, according to the woman attendant in the gardens at Straffan.

Foxgrove and others sell it in leaf and there is no doubting its identity in a family where names can sometimes be freely applied. The tendency to flower twice distinguishes it and makes it, for my money, the snowdrop of choice for leafy soil where it will not be swamped by rivals.

## Bounty for botanical gardens

Transfers of plants are as old as human travel. James Henderson traces the routes of the highly-prized cargo

Captain Bligh is remembered as the victim of a notorious Royal Navy mutiny. The purpose of his voyage to the South Seas in 1787 is less well known.

His ship, The Bounty, was specially adapted as a floating conservatory and Bligh's mission, sponsored by King George III, was to collect plants from the South Pacific and take them to the Caribbean. The fact that The Bounty was being sent 27,000 miles to collect its cargo reflected the importance of its voyage for the agriculture of the British Empire.

The ship was dispatched at a time when slaves in Jamaica were dying of hunger after a drought and five hurricanes in five years. Imports of food had also been cut off from the American colonies, then struggling for independence from the British Crown. The solution, it was thought, was to import breadfruit and the West Indies plantation owners had voted large sums of money to anyone obtaining it.

But it was not until six years

later, The Bounty disaster behind him, that Captain Bligh succeeded, this time on HMS Providence. In 1793, he reached St Vincent and Jamaica with a cargo of breadfruit and other plants from Tahiti, Timor and St Helena. The late 18th century was the heyday of the plant hunters, who travelled the world in search of new species and sent their discoveries back to the Royal Botanical Gardens at Kew. (On HMS Bounty, Bligh also had 700 other plants destined for Kew.)

Botanical gardens had been established not only in London but throughout the empire, and particularly the West Indies. Barely a ship travelled the high seas without plants sitting in ox-bladders, seeds rolled in beeswax and brewer's loam, or cuttings to be identified and classified. Everybody was doing it. A French ship, captured by Admiral Rodney, yielded up plants of mango, cinnamon, jackfruit, pandanus and a whole lot more besides to Jamaica.

Such transfers were nothing

new and were as old as human travel. Sir Walter Raleigh's popularisation of tobacco and the potato is part of British folklore. In the 1600s exotics — weird and wonderful flowers from distant climes — were highly prized. Stone pineapples sprouted on English country gates as symbols of prosperity and welcome.

To the rival European powers, the Caribbean islands were important sources of tropical produce, hardwoods, spices — but particularly of sugar.

Sugar cane, an over-sized grass, first made its way to the Caribbean from the Canaries on Columbus's second voyage. Two centuries later, as a result of some profitable industrial espionage in Brazil, cane was being grown on all the Caribbean islands to satisfy the sugar addiction which had grown with the popularity of hot drinks (tea, coffee and cocoa) in Europe.

Bligh, on HMS Providence, had headed first for St Vincent in the south-eastern Caribbean, site of the first botanical gardens in the

western hemisphere, established in 1785, soon after the British took over the island. Without a secure local food supply for the settlers, the governor was encouraged to cultivate plants that might be useful as "food, medicine or articles of commerce". He created what became a market garden for the planters in the surrounding islands.

Since then, botanical gardens have developed into tourist attractions. In St Vincent, the 20 acres of gardens are divided up by alleys of royal palms. Their trunks are painted white to a height of 6ft and then soar another 100ft before their fronds shoot outward and upward. Here, too, is the lignum vitae tree whose wood is so heavy that it sinks in water, and so hard it can, for some purposes, replace steel ball-bearings.

The 60ft tangle of pandanus grass stands on a fearsome network of still-like roots; besides fibres for weaving, its leaves were used in booby traps in the Vietnam war.



Breadfruit: plantation owners imported it to feed slaves

Many plants are prized for their fragrance or flavours, as found in the crushed leaves of citrus, citronella grass and cinnamon bark.

No fewer than 65 per cent of the plants in St Vincent's botanical gardens hail from other parts of the world. Bamboo, found throughout the Caribbean, was introduced from south-east Asia to provide scaffolding for the building industry; the scarlet-flowered bougainvillea (named

after the French explorer who first brought it from South America) has become an archetypal Caribbean plant; bananas, whose botanical name *Musa sapientum* means "food of the wise man", also came from Asia via the Canaries and has replaced sugar in many islands.

Even some of the plants identified with Barbados by their botanical name (*barbadosensis*) originate elsewhere. Their appellation means simply that they

reached Europe via Barbados. However, the Caribbean can at least claim a native coconut palm.

Bligh's second Caribbean stop was Jamaica, then Britain's largest island colony, which, in its sugar heyday, contained more than 400 estates.

The second oldest botanical garden in the western hemisphere is at Bath, in the east of Jamaica. It has fallen into disrepair but the island's fertility is evident in several other gardens.

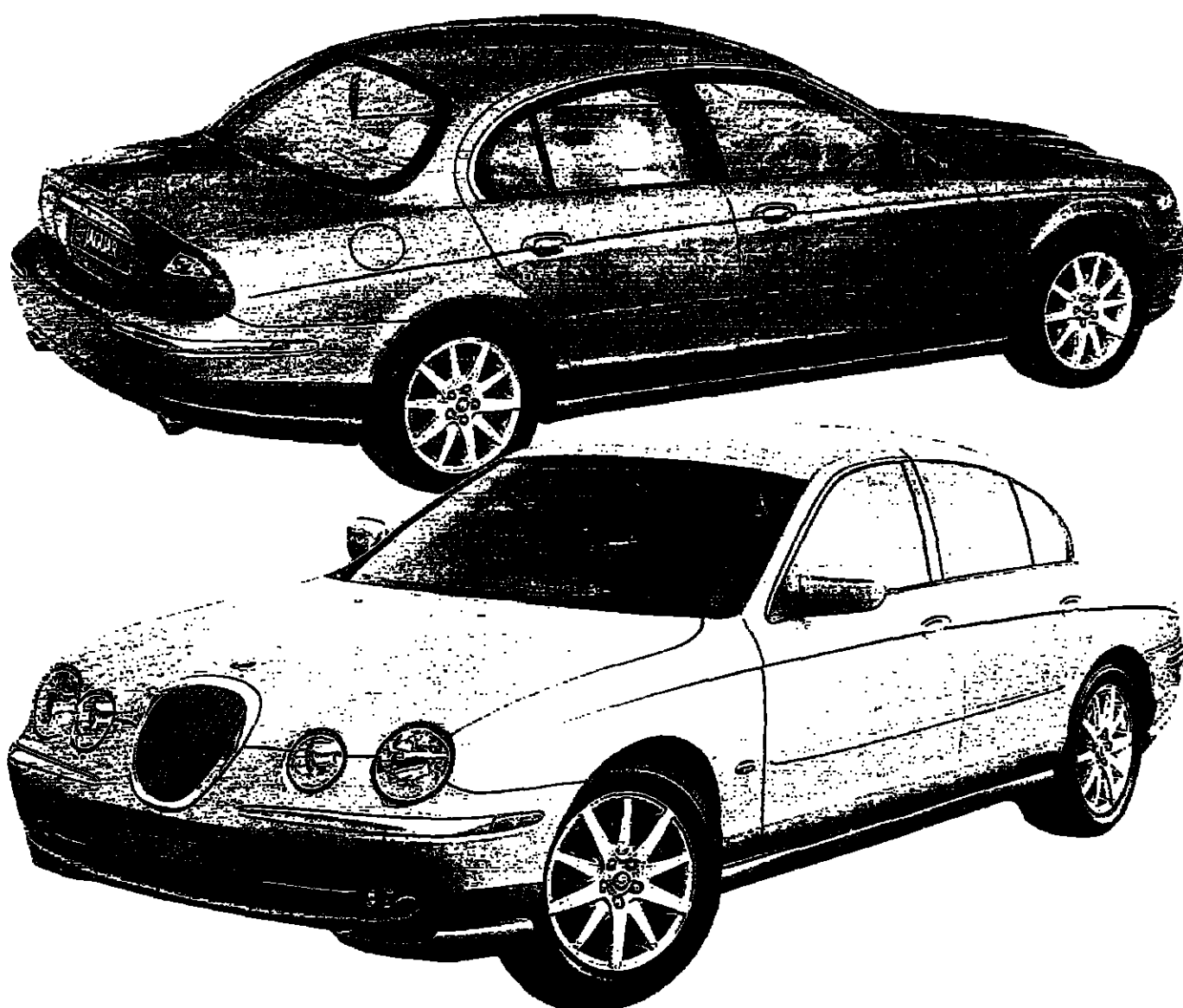
An intriguing story emanates from one. In a spectacular setting in the Blue Mountains above Kingston, Cinchona Gardens takes its name from a tree that originated in the Andes.

In 1888, a gardener from Kew was sent to supervise the planting of 40 acres of cinchona at a height between 4,500ft and 5,500ft. The tree was the source of "the Jesuits' bark", used in the fight against malaria, the scourge of the tropics. Effective use of this bark changed the pattern of immigration to the islands. Traditionally, the plantations had been worked by Africans, but the new anti-malaria product made it possible to bring in waves of immigrants from India and the Far East at the end of the last century, adding yet another element to the diverse population.

JP 1/10/150



## MOTORING / OUTDOORS



Marque of distinction: better-looking from the front than from the sides or rear, but with all the performance and refinement of a classic Jaguar

## ROAD TEST

## Jaguar's new cat leaps in line with great tradition

Despite reservations about its appearance, Stuart Marshall hails the new S-type as a car 'of the highest class'

Jaguar is part of the Ford empire. Its new S-type shares the basics of its 3.0-litre V6 engine and platform - the modern equivalent of a chassis - with a US-built Ford car. But if you think that must make the S-type some kind of mid-Atlantic product, you could not be more wrong.

Totally British in looks, inside and out, it goes and sounds exactly like a traditional Jaguar. One feels that had the late Sir William Lyons, who founded the marque in the 1930s, still been alive, he would have given it his wholehearted approval.

The Rover 75 (this column, February 13) and S-type Jaguar were the twin stars of the last British International Motor Show in October and they will draw crowds at next week's salon de l'automobile in Geneva. While the Rover, which goes on sale in mid-June, will be pitched against the likes of the Audi A4, the Mercedes C-class and the BMW 3-series, Jaguar is targeting drivers of the Mercedes E-class and BMW 5-series.

On-the-road prices start at £28,300 for the entry-model manual 3.0-litre, which is due in British showrooms at the end of this month. That means it may also seduce business motorists now driving the poshest versions of high-volume cars such as the Vauxhall Omega. It could also be a tempting alternative to the new Alfa Romeo 166 3-litre (from £27,636) and, of course, to Jaguar's own veteran but still desirable XJ saloons (from £35,205).

From the front, the new S-type is quintessentially Jaguar, an obvious descendant of the elegant cars found in senior management parking bays since the 1960s. From the side and rear I find the styling less satisfactory.

For old time's sake, the S-type has traditional Jaguar proportions, with shallower windows and deeper side panels than some rivals. But put it alongside a 10-year-old XJ, or an even older original S-type, and the tail end

looks rather chopped off. In an effort to give the car the air of a big cat about to launch itself at its prey, the body sides have a very deep and curving depression (swage line) at door-handle level. For me, this does not come off - it makes the car look as if it had been scraped by a lorry. Nor are the rear flanks as subtly curved as they were. From some angles the S-type can even look a bit heavy in the hips.

The Rover 75 is better-looking. Rover executives, with barely concealed Schadenfreude, say this is because the 75 has its own unique platform. This allows its haunches to be supermodel shapely, whereas Jaguar had to

Whisper quiet on the motorway, the V8 was also great to drive in the foothills of the Pyrenees. Hustled through main-road bends, often streaming with water, it sat down securely.

The traction control system allowed full power to be used when climbing twisting mountain roads without risk of wheel spin. The manual shift option on the automatic transmission - you flip the selector to the left and push it forward to change down, pull it back to change up - was handy for hard driving in the hills, unnecessary at other times. In short, the V8 retained limousine manners when driven like a hot hatchback.

One feels that had the late Sir William Lyons, who founded Jaguar in the 1930s, still been alive, he would have given it his wholehearted approval

cope with a rectangular platform shared with a differently shaped American car.

Whatever its looks, and I suspect most customers will take a more charitable view of them than I do, the S-type is a superb performer. It felt absolutely right from the moment I slid behind its small, leather and wood-trimmed steering wheel and fired up the engine - there is a choice of the new 240-horsepower V8 or a well-proven 201-horsepower V6.

Driven slowly in town, the tyres of the V8 I tried first thumped more on broken tarmac than I had expected, but on the open road the ride was as quiet and velvety as one expects of a Jaguar. The 5-speed automatic transmission (made by Ford, standard on the V6, an extra-cost option on the V8) was self-effacing when driving normally, spirited but still smooth when accelerating hard. Jaguar claims 0-100kph (0-62mph) in 7.1 seconds and an autobahn maximum of 150mph.

Stepping down from an automatic V8 to a V6 with a manual gearbox was in no way an anticlimax. If anything, I thought the V6 was sweeter than the V8 and with less weight on the front wheels its handling was even nimbler. The German Getrag 5-speed gearbox (also used by BMW) had a delicately precise shift, complemented by a light and slick clutch.

Jaguar is confident that the characteristics of a manual S-type will be as good as they are predicted to be for automatics. (In the past, buyers for second-hand examples of the rare manual XJ saloons have been hard to find.)

If tall people up front are prepared for a little give and take over seat adjustment, leg, knee and headroom for rear-seat passengers are more than adequate. The boot is wide but rather shallow because the full-sized spare wheel and tyre and a massive battery live under the floor. For the first time in a Jaguar, the

rear-seat back rest folds forward, more than doubling luggage space when travelling two up.

Official average fuel consumption range from 25.4mpg (11.1/100km) for a 3.0-litre manual to 22.7mpg (12.4/100km) for a V8 automatic. Exhaust emissions comply with the German low-pollution tax incentive requirements. The US-specification car meets California low-emission vehicle standards.

Dynamic stability control, which prevents over-exuberant drivers getting into trouble on slippery roads, is an optional extra. So is a sophisticated £2,200 satellite navigation system. But the standard package includes climate control with separate driver/passenger temperature adjustment, power-adjusted front seats, traction control, dual front/side airbags and headlamps that come on automatically when daylight fades.

The SE (special equipment) V8 has automatic transmission, leather trim, cruise control and power sunroof but costs £33,150, £4,850 more than the least expensive model.

Despite some reservations about its styling, I rate the S-type a car of the highest class that can only add lustre to the marque. Jaguar is being strictly down to earth about running costs. For the first three years/50,000 miles warranty period, services at 10,000 miles/12 monthly intervals will cost a fixed £150, plus value-added tax and items such as oil, brake pads, tyres and drive belts. Although 85 per cent of the body is made from zinc-coated steel, the corrosion warranty is for a meagre six years - meagre because Mercedes is now offering 30 years, provided the car has been serviced by a dealer.

This is Stuart Marshall's last regular road test report for Weekend FT. From April he will contribute a monthly opinion column on various aspects of the motoring world.

## Sparky stylist with a drive to preserve Bavarian icons

Chief BMW designer Chris Bangle explains his philosophy to Haig Simonian

For a time in the early 1990s, it seemed you could hardly ever open a copy of a leading European motoring magazine without being confronted by a glossy spread on the designer Chris Bangle and his latest creations.

As head of Fiat's styling centre, he oversaw a string of striking cars, ranging from the unconventional Fiat Coupé and the curvaceous Barchetta roadster to the angular Alfa Romeo 145.

Even Fiat's more utilitarian models of the time looked a cut above the competition. In a world dominated by functional Ford Escorts and Vauxhall/Opel Astras, Fiat's competing Bravo and Brava of 1995 boasted eye-catching design with almost baroque tail lights and integrated dashboards.

In 1992, however, when many of Fiat's new models were long off the sketch pad but not yet in the showroom Bangle jumped ship. For many pundits, his move to BMW spelled disaster as such an apparently extrovert stylist - whose ideas had played a crucial part in Fiat's belated product renewal programme - inevitably clashed with the stylistic strait-jacket of BMW's "family look", cars of great social cachet but not for the most part adventurous in appearance.

Almost seven years on, Bangle, 43, from Wisconsin in the American Midwest who has worked in Europe since 1981, is still in Munich and still going strong. Polite, erudite and self-effacing, he gently bridges at any suggestion that the Germans have cramped his style.

Even the recent surprise departures of Bernd Pischetsrieder and Wolfgang Reitzle, BMW's chairman and one-time heir apparent respectively, do not appear to have had an impact.

"There are two ways of doing car design. Either it's a personality cult, where the designer runs the show and the car is just an ego toy," Bangle says. "Or the stylist is more the curator of a heritage and tradition. Then, the challenge lies in understanding a marque so well you become part of it. It's quite clear my job here is to perpetuate a set of icons."

Bangle concedes there are some limits to what a designer can do at BMW. But he rejects any suggestion that the "honest aesthetics" which are so much part of the marque's values stifle the imagination.

"There's huge scope within BMW. It's endless. I've never been around more professional, creative and talented associates. They are the best," he says.

Are his arguments plausible? The whole rationale behind BMW is that its cars should look the same: market research suggests sober, conservative designs are what the company's high-income owners covet.

Conveniently, what is sometimes politely called "evolutionary" styling also preserves the residual values of older models, which do not look immediately outdated whenever a replacement is launched.

That design philosophy has guaranteed BMW some of the juiciest profit margins in the business and contributed to the widely held view that BMW's strengths lie as much in astute

"The further you go from the core limousines, the more you can allow the product to make its own statement," says Bangle. To prove the point, he notes the explosion of creativity in BMW's latest motorcycles - notably the C1 city commuter vehicle, a sort of scooter with a top. "What's the furthest you can go from the core product? Motorcycles."

He is reluctant to be drawn on what other "innovations" may be in the pipeline. BMW has tended to establish a new design for the first generation of a model, and then amend it only slightly the next time before going for a bigger change in the third. That timetable suggests the next 7-series limousine will set the stage for BMW's models for the millennium.

Sometimes, however, the changes are too subtle for the untrained eye. Last year's "new" 3-series, which looks to most motorists just like the old version, apparently had its bonnet line discreetly raised. "To give the car greater presence from the driver's point of view". It is such subtleties that Bangle defines as "honest aesthetics".

It is a small step from here to draw him out on some of the styling produced by other - unnamed - European carmakers. There are three main trends, he argues. The first is authentic, as pursued by BMW, among others, in which the carmakers share a firm belief in the brand they are producing.

Then there is hyphenated design. This covers the new breed of crossover vehicles, such as station wagons offering some of the go anywhere features of sports utilities. "Hyphenateds are fine as long as you hyphenate the right things and it's done by professionals. Otherwise, you get gobbledygook."

Finally, there is entertainment design, styling intended to be immediate and eye-catching and gain publicity, but which is ultimately ephemeral. "It has everything to do with 'what can I entertain you with'."

Bangle declines to cite any examples of entertainment design. The irony is that many observers consider his work at Fiat would fit into this category. Nevertheless the products he oversaw then still look fresh and striking today, while his later creations at BMW look set to soldier on forever.

Polite, erudite, and self-effacing, he gently bridges at any suggestion that the Germans have cramped his style

marketing and brand management as innovative engineering.

Bangle admits that the sporty 3-, 5- and 7-series saloons share a strong family look. That is based on the brand's image and heritage. "What are BMWs known for? Sporty saloons," he says.

But he presents the company's sense of visual tradition as positive, not negative. "The challenge is to communicate the quality of the design without turning it into an entertainment showcase."

He cites - probably not for the first time - Popeye's famous dictum that "I xms what a xms" to underline his point about rejecting superficial showiness in car design.

Where BMW has diversified, the outcome has been strikingly different from its core sports saloons, he argues. The US-built Z3 convertible "has its own look", and so has the ungainly coupé it has spawned. The same can be said for the ultra-powerful Z8 two-seater, due next year, and the X5 four-wheel drive "sports activity vehicle" which had its premier at the Detroit Motor Show in January.



Chris Bangle and BMW design team members, the 'most talented and creative' in the business

Sven Jernings-Bell

## FISHING

## Casting a spell in South Island's sapphire streams

Kieran Cooke learns from an able Chinese magician and cook how to master the elusive and illusive arts of fly-fishing for trout

still, perfect January evening. The summer sun is going down. In the distance the snow-clad peak of Mt Cook is turning purple, etched against a cloudless twilight sky.

"Fly-fishing and being a magician are not that different," says Wong, delicately extracting the hook from the trout's mouth. "Both depend on the skilful presentation of illusions." He held the fish for a few seconds. "There is a pressure point just here, by the tail. Press it and the fish calms down."

The fish is released. For a few seconds it stays still. Then, with a gentle wave of its body, it swims off upstream.

When a friend in Hong Kong told me of a Chinese magician turned fly-fisherman who had settled in the midst of some of the world's best trout-fishing waters I started looking at the map. Twizel (it rhymes with sisal) is about three hours' drive from Christchurch.

It is an area with a strange, end-of-the-earth feel about it. Glacial silt washed down from the mountains has turned rivers and lakes a surreal, sapphire colour. There are few trees. The ozone layer is thin and the air is startlingly clear.

Declan - he is named after the Wong family's one-time Irish parish priest in the US - is an

unusual mixture to come across in this beautiful wilderness. His mother is descended from Mohawk Indians, his father is a restaurateur from Shanghai. Two brothers are well-known Chinese film actors.

Brenda, his wife, is also a mix of two very different cultures. Her mother comes from a family of Maori chiefs while her father is an immigrant from Belfast. At one time she helped Wong with his magic shows - in Japan, in Hong Kong and elsewhere in Asia. "I was the lady in the box," she says. "Then eight years ago we decided to visit Twizel where some of my family lived. Declan discovered

fly-fishing and we've been here ever since."

Almost entirely self-taught in the art of fly-fishing, he feels stalking is the most important, yet most often ignored, part of being a successful trout fisherman. His fly-fishing bible is *The Curtis Creek Manifesto* by Sheridan Anderson, a backwoodsman from Oregon who describes himself as an angler, artist, wanderer and an eternal foe of the work ethic.

"The art of stalking is almost unknown yet it is the most effective tactic in fly-fishing," says Anderson. "Perhaps this oversight is due to some vague puritanical concept that equates

knelling, stooping and crawling with self-abasement, unless confined to the pew."

If I were a trout, I would not like to be stalked by Wong. In pursuit of his quarry, he at times sinks in the water up to his shoulders, looking for that tell-tale shadow flitting by a rock or a faint ripple on the surface. He ties his own flies.

"One of the most fascinating things to watch is how a trout will examine a fly. If you've made a mistake in the tying, the fly will be pushed away or ignored. It's really satisfying when a fish takes one you've tied yourself."

After two hours walking and stalking, Wong has caught four

fish - two of more than 4lb, two of about 1½lb. The river is shallow and only about five yards wide. I surprise myself by hooking a large fish; I snatch too hard and it escapes. The line becomes entangled in a gorse bush.

"Practice is everything," says Wong. He should know. When he was training to be a magician he worked at his tricks for more than 18 hours a day over a 10-year period. "Just like a musician, a magician has to keep trying to perfect the art, to learn new tricks."

Sure enough, after a dinner of smoked trout, rice and pork dumplings, Wong covers the table with a black velvet cloth. Cards appear and vanish. Coins are pulled from the air.

I know it is all an illusion but, like the trout, I take the bait.

Declan Wong, fishing guide, 50 Tekapo Drive, Twizel, South Canterbury, New Zealand. Tel: 086434350878.

Declan Wong edges along the river bank, quiet as a monk in a cloister. He descends into the cool water. There is hardly a ripple.

I splash in behind, struggling to keep my balance on the slippery stones. My boots, then my trousers, fill up. At any moment I feel I might float off downstream.

Wong is a professional magician. He is also an accomplished Chinese cook but, first and foremost, he is a master fly-fisherman. He points to a patch of water under a willow tree 15 yards ahead. I squint into the dark pool, but see nothing. There is the flick of an arm.

The fly lands on the water as a butterfly in a ballet. A splash, a running of the reel, the rod bent almost double. A 4lb brown trout is brought to shore.

We are on the Fraser River, just outside the town of Twizel in the mountain country of New Zealand's South Island. It is a



## TRAVEL

## ENGLAND'S GLORY

# Paintings and pride on a palatial scale

Christopher McCooley visits 'a most magnificent seat' - the austere and pompous Petworth House

Petworth House has elicited strong and diverse opinions from its many visitors over the years. "Austere" came to mind, as I viewed it atop a rise above the lake in its 700-acre park.

My two companions suggested "imposing" and "pompous". The official National Trust guidebook states: "Entirely rebuilt by the Sixth Duke of Somerset between 1688 and 1702, the west front, 320ft long, can only be described as palatial."

Less impressed were writers Sheila Kaye-Smith, who described the house as "a flat-faced monster", and E.V. Lucas, who thought it was "like a London terrace". But whatever one's subjective view, it is hard to disagree with William Cobbett who wrote in his *Rural Rides* that Petworth was "a most magnificent seat".

The house contains the trust's finest collection of pictures and sculptures and the park was the creation of Lancelot "Capability" Brown. It has changed little since he laid it out in the middle of the 18th century. His name was derived from his sales pitch - he told clients their land and gardens had excellent "capabilities".

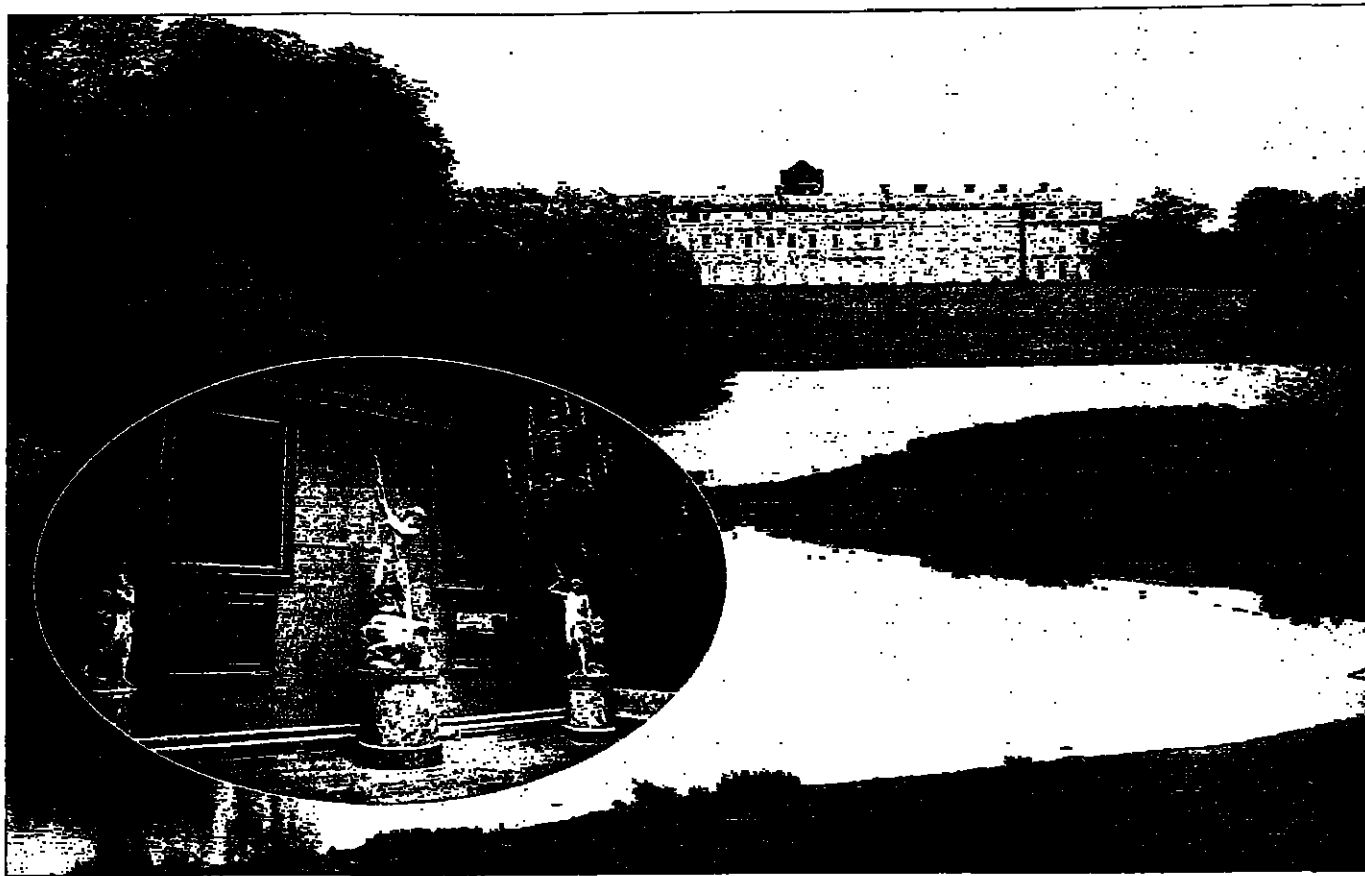
The Perry family was a considerable force in England throughout the Middle Ages. William de Percy crossed the Channel from Normandy with William the Conqueror; three generations later, his successors settled in a fortified manor house in Petworth.

## General information

Just south of Petworth, at the foot of the South Downs, is Sutton. The White Horse offers a warm welcome, comfortable accommodation and excellent food. 8 & 9 from £20 per person sharing a double room. Address: The White Horse, Sutton, Nr. Petworth, West Sussex BN20 1PS; tel 01793-869221, fax 01793-869291.

Shakespeare immortalised Sir Henry Percy as Hotspur in *Henry IV*. Unfortunately, he had backed the wrong side in the struggle for the English throne and was killed in the battle of Shrewsbury in 1403.

By the time Algernon Percy (1602-1668) was the head of the family, a tradition of aesthetic patronage had been established. Anthony Van Dyck, who had become Charles I's court painter



Petworth House (inside and out): the Third Earl of Egremont lived there with 43 of his children and their respective mothers

in 1632, had reason to be grateful to the Percys - there are 20 Van Dycks at Petworth today, which were specially commissioned.

Algernon's son, Josceline, died two years after his father, leaving no male heir. His infant daughter Elizabeth inherited, but was married and widowed twice by the time she was 16.

She found happiness of sorts when she married Charles Seymour, the sixth Duke of Somerset. Known as the "Proud Duke",

he was variously described as pompous with an imperious manner, and a "man in whom the pride of birth and rank amounted almost to a disease". But he was an energetic builder, patron, collector and benefactor.

The sixth duke is mainly responsible for the outer facade of the house as you see it today and it was he who employed Grinling Gibbons to work on the house's interior.

The Proud Duke's youngest daughter inherited the Petworth estate and she married the Second Earl of Egremont - he was something of a francophile and this is reflected in the furniture and decoration he commissioned.

Proned to physical inertia and over-indulgence, he said on August 19 1783: "Well, I have but three turtle-dinners to come, and if I survive them I shall be immortal."

He didn't; he wasn't. He died

two days later at the age of 53. George O'Brien Wyndham, Third Earl of Egremont (1751-1837), was 12 and at Westminster school when his father ate himself to death. His almost 75-year tenancy of the estate has been called "Petworth's golden age. He was loved for his wit, his dislike of ceremony, his kindness and generosity to the poor, to children, and the artists whom he encouraged."

He had the local population inoculated against smallpox and is estimated to have spent £1.2m "in acts of charity and liberality, including roads, waterways, hospitals, schools, almshouses, a gas works and the Town Hall for Petworth".

His laissez-faire benevolence extended to his private life; in 1784, 15-year-old Elizabeth Hulse, daughter of a Westminster schoolmaster, became his principal mistress and the unofficial chateleine of Petworth. She was known as Mrs Wyndham, until the earl married her in 1801 by which time she had borne him seven children.

In total, 43 of his children and their respective mothers lived in the house. Perhaps the third earl is best known for his friendship and patronage of J.M.W. Turner and John Constable, both of whom stayed at Petworth.

The house has 30 of Turner's works, a number of which depict the house.

These paintings of the interior galleries, the house itself and the fallow deer in the park, are, quite literally, timeless.

and Audi Experience - a two-night break in Munich, starting at £395 and including three days' hire of a BMW and visits to the Audi factory and BMW museum. Tel: 0116-271 9922.

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**GOLDEN WINGS:** Airline of

## UPDATE

## All singing, all dancing, all drumming, all walling

the Year at the OAG awards, voted on by business travellers. Emirates, for the second year in a row. The Dubai-based carrier took gold as best Middle Eastern and Indian Subcontinent Airline for the 10th consecutive year. Is it the cooking or the in-flight entertainment? They're not sure.

**BOSTON TEE PARTY:** Tickets are available for this year's Ryder Cup golf, to be held at the Country Club, Brookline, Boston

- but only 2,000 for all Europe. Five-night breaks with Longshot (01730-286831), from September 22, begin at £2,099, including accommodation and ticket.

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**WATERMILLS:** The dark stanic flour mill that inspired Blake to write "Jerusalem" was by the river in Jerusalem, and is now occupied by the Daily Express building, according to

The Thames. A £4.99 guide book available from Vine House (01825-723398). It takes you from a damp field in Gloucestershire down to the North Sea.

**NEW FRONTIER:** Sunvil Holidays (+44 0151-588 4459) has had such success with its trips to Armenia that it's extended them with side trips to Nagorno Karabakh, the breakaway Azerbaijan republic - now, it promises, safe. Also new: Mozambique and the

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## TRAVEL

## SKIING

# Unlike the Terminator, we won't be back

Kenneth McKenzie took his wife and children on a half-term trip to Lech in Austria, which turned into a surreal catalogue of disasters. Here he tells his story of their timely escape

Lech's combination of attractions is seductive. Alpine charm, reliable snow, forgiving skiing for the moderately skilled – and glitz. The controlled quota of visitors to the valley is enlivened by a high turnout of celebrity faces, showbiz and business people mingling with royalty.

Lower fliers make it to Lech, too. The professional classes turn out in profusion at half-term and Easter. Our three children's half-terms coincided to allow us our seventh visit, accompanied by our 11-year-old son's friend.

Our first three days were what we had come for: glorious alpine scenery, copious snow and a clear blue sky. The snow beneath our skis crunched like cabbage. After all, the snow had to be good. Heavy falls the previous week had already closed Lech for a couple of days. That couldn't happen again, could it?

Wrong. The chill deepened as cloud crept over the Arlberg. Snow started to fall, at first lightly, then more heavily. We were not unduly concerned as we were not leaving until the Saturday. We later heard, on Lech's hyper-active rumour mill, that very few were warned what was – or might be – coming, and they got out while they could.

No one told us, though. We did not learn that the valley was cut off until, after two days of continuous snow, we casually inquired at the hotel desk. This trickle of information we later found to be characteristic. We learned more about the situation in our first hour back in England than in the previous week in Austria.

Local cable television delivered vague, palliative messages. The mantra was – as soon as the snow stops, the helicopters will be able to drop avalanche charges above the Arlberg pass; when the controlled explosions have made it safe, the snow ploughs will be able to clear the road within three hours and as many coaches as are needed will be available to take you to Zurich airport. There was also talk of helicopters at a price rumoured to be £3,000 a head, but the waiting list was already over 1,000 and only six people had left that way before the white-out.

Hopes were raised briefly on the Friday. We heard later that the pass had been briefly cleared. But the weather closed in again and the wind gathered strength. Comforting but imprecise noises continued to emanate from cable TV. There were, however, no helicopters and no buses. No exit.

Having missed our Saturday return flight, we were too plunged in gloom to

ski for the next couple of days. Our time was largely taken up, in any event, reorganising home, travel and work commitments. We contacted our insurers, with difficulty, and were told, first, that our situation was not covered and, then, that it would be – but only for a maximum of £20 a head for five days. That sort of money does not go far in Lech.

Our imprisonment took on a new dimension as our carefully planned holiday budget was shattered. The chronic lack of information about when, if ever, we might get out, continued. On the Monday, fixed and mobile phone lines were hopelessly overburdened as Lech's transient population of high-powered businessmen, bankers, and at least one lawyer, tried to keep in touch with their offices. Only the children loved the extended half-term.

**The queue stamped while the avalanche spent itself harmlessly, yet another snow cloud billowing gently to within 50 or so metres of us**

There is only so much you can do by telephone and fax. To alleviate cabin fever, we resumed occasional skiing in the miserably cold, unrelentingly difficult white-out conditions on the few open and congested pistes.

We looked at the possibility of moving to cheaper accommodation. Little was available. Moreover, the shelves in the supermarket were disconcertingly bare. Was it our imagination or were the hotel portions getting smaller?

Cable TV started to carry assurances from the *Bürgermeister* that Lech's supplies were guaranteed. But first bacon, then eggs, then fresh orange juice quietly disappeared from the hotel's breakfast buffet. It continued snowing.

The Britons exchanged rumours with a mixture of resignation, gallews humour and mounting frustration at the lack of information. The news of the fatal avalanche at Galtur broke. That night, my wife insisted that all four children sleep in our room on the farthest side of the hotel from the mountain that towered over it.

Perhaps our lot was not so bad. In neighbouring Zurs, people were being escorted from the outlying hotels into those more central because of avalanches. Fifty people were cut off for

days in a restaurant above St Anton. We reassured our families at home and continued to wait.

Finally, on Tuesday night, it was predicted by cable TV that the weather might improve. More importantly, and reliably, the ski-hire shop staff seemed to agree. For all of Wednesday morning it did not snow and hopes were high that we might finally get out. However, the three hours that we had previously been assured would be long enough to clear the passes, stretched to seven, nine and 12. No matter. At the worst, we would be out by Thursday. We were five days late but at last we knew something for certain. We packed expectantly, for the fourth time, on Wednesday night.

On Thursday morning the early prognosis on cable TV of a noon clearance of the pass started to move disturbingly into reverse. We decided to take a helicopter out. We left our bags at the hotel and headed for the helipad on foot. What we found there recalled one of those unbearable film scenes in which refugees are racing against the clock to get away. Against a heavily snowbound mountainside, in bright sunshine, helicopters of varying sizes shuttled in and out of an impossibly cramped space beside an ice rink.

A queue of about 100 inched forward to be picked up in twos or threes. Each take-off created its own storm of tiny skin-cutting ice particles, blinding all around as they crouched ineffectually against the downward blast.

Suddenly, just as we had reached the front of the queue, there was a moment of drama, as the down draught from an incoming helicopter set off an avalanche on the mountainside directly above us. A slab of snow, perhaps 100 metres wide and 4 metres deep, sheared away and began to slide.

Police and a helicopter pilot in white helmet and red overalls ran instantly back towards the queue, waving their arms frantically, shouting "Raus! Raus!". The queue stamped back on itself, not panicking, not sure if it was supposed to panic. The avalanche spent itself harmlessly, yet another snow cloud billowing gently to within 50 or so metres of us.

We quickly resumed our position at the head of the queue and, after a few more agonising displacements as more convenient numbers were called forward, all six of us boarded a helicopter.

Our winding flight through the valley was spectacular and we enjoyed all 12 minutes of it, in the belief that we were finally on our way home. On touchdown, however, there were no



Residents shovel snow off a house in Lech. The heaviest snowfall in decades has wreaked havoc in western Austria

Arlberg Express coaches waiting. Our prepaid tickets, their uniformed representative informed us, were good only from the centre of Lech.

The centre of Lech was snowbound, we said, and would remain so until later that day, when the buses would pass this very point.

The one bus there, it emerged, was on sub-contract from Arlberg Express. Could we go on it?

No, came the answer. We pointed out that we had already paid. Only from the centre of Lech, the company said. We said: "We have just paid £70 each to

fly by helicopter because we cannot get here by road. Could we speak to the boss of Arlberg Express?" Our interlocutor revealed he was that very man and was thus able to tell us that none of his coaches would transport us from that spot.

He said our unreasonable request for the transport we had purchased 12 days before made him angry. To emphasise this point he struck me, hard, on the shoulder. He suggested we take a taxi to Zurich airport at a cost of £190, declined to refund my money and invited me to write to him about it. I

will. A sympathetic woman with a similar tale shared a taxi to Zurich.

It was only when we arrived home in England and saw the television news that the extent of what we had left behind sank in.

What had seemed a surreal catalogue of holiday disasters began to look more like a fortunate and timely escape from a dangerously uncertain situation. Austria's most famous recent export is the Terminator, Arnold Schwarzenegger. Unlike Arnie, we won't be back.

■ Kenneth McKenzie is a partner in the City law firm of Davies Arnold Cooper.

## Double O Seven: licensed to thrill like a perfect gent

Gillian O'Connor explores the wine country near Cape Town on horseback

Idylls do not come any more idyllic. As we rode gently across the sunlit uplands the talk was of everyday things: horses, dogs and children; murder, rape and break-ins. For violence is never very far away in South Africa, even in its Garden of Eden, the Cape province.

Michelle and Gavin have only recently moved into the beautiful old white farmhouse in the wine country. The tall, gracious rooms with their heavily timbered dark wood ceilings look the better for the fact that there is hardly any furniture in them. A pile of leather bits and pieces for horses in the entrance hall, a pile of riding clothes in the bedroom, a pile of tax documents in the study, a few things to sit and sleep on and a fridge: that's the lot.

"They do not bother to lock the door. Not so much because there is nothing worth stealing, but because they cannot run their lives on the assumption that an attack is just around the corner."

In Cape Town itself every house in the suburbs has a notice on the wire fence warning that it is protected by armed guards – and in some cases, large, unfriendly dogs.

Michelle started her original trail-riding centre only 50km (32 miles) outside

the city centre. The new one is 70km away. It is a bit harder for customers to get to. But it is also less tempting to wrongdoers – they hope. And if a would-be customer has a problem getting out to the farm, they simply pick him up and take him home again.

The riding is wonderful. The farmhouse is set among vineyards on the flanks of a long range of hills, across the valley from the main mountain range.

A long, steady climb takes

The hills merge into a national park, criss-crossed with trails for hikers. But in our four-hour ride, we did not meet a single person.

Michelle was riding one of her own competition horses, a beautiful but nervy grey. A bit to my surprise I was on another, a successful jumper known as Double O Seven. His real name, apparently, is Licensed to Kill, but this for some reason unnerved the customers.

Fortunately, Double O Seven remained a perfect

**Few people who go to Cape Town are likely to go for the riding alone. There are so many other things worth seeing and doing**

you up to about 1,000ft, almost without effort. The tops of the hills undulate softly along for miles, with occasional humps of granite looking like recumbent elephants.

On the other side of the valley the wrinkles in the mountains stand out like etchings in the clear air. The scrubby vegetation is what's known as  *fynbos*  (literally fine bush from the Dutch), which includes proteas, heaths and reeds, and grows low enough to allow uninterrupted views from horseback most of the time.

gentleman throughout the afternoon. Perhaps it was his film training showing through. South Africa is a favourite location for producers wanting top-quality scenery at bargain basement prices. Gavin is a professional stuntman, and the horses spend nearly as much time as film extras as they do carting visitors round the hills.

Or at least they used to. Cape Town is still very safe compared with Johannesburg. But the mounting crime rate is beginning to drive film producers away from the country altogether. An American company filmed the first two episodes of one popular series in South Africa, but is doing the third in Australia. Actors object to the possibility of getting shot for real. And by the time the producer had factored in the cost of security guards, South Africa had moved out of the bargain basement.

As yet, visitors who want to ride in the Cape Town area have to organise their

own expeditions. Riding holiday specialists concentrate on full-blown safari holidays. And there is no serious game to be seen near Cape Town.

It can be tricky knowing where to go and which stable to go to. If you pick your riding centres from the yellow pages, you may strike lucky – or you may discover yourself plodding up and down a suburban street.

Standards vary a lot. Michelle could think of only three other centres she would recommend, but was happy to suggest a schedule for visitors. The long empty beaches provide one obvious alternative to the Wine Valley trails.

Few people who go to Cape Town are likely to go for the riding alone. There are so many other things worth seeing and doing. The city itself provides gardens, museums and the waterfront development – a popular place to spend money.

A drive round the peninsula and down to the nature reserve offers Mediterranean scenery and a penguin colony. The Kirstenbosch Botanical Gardens on the way back into the town accommodate picnickers and pop concerts with unruffled dignity.

Energetic visitors can walk from the Kirstenbosch gardens to the top of Table Mountain. Most take the cable car instead: the mountain is in the heart of Cape Town, and a determined visitor can get from his city centre hotel to the top and back in 90 minutes.

The views from the top are wonderful, but watch out for the highly poisonous Cape cobra. Like most things in Cape Town, the mountain's beauty has its dark side. ■ *Wine Valley Horse Trails:* PO Box 966, Brackenfell 7560, Cape Town, South Africa. Tel: +27 83 226 8735.

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## TRAVEL

# Pigs and waterfalls — once you get there

Jonathan Birchall meets the hill people of Sapa, a remote and mountainous region of north Vietnam with uncertain weather but a relaxed charm

We had been swimming in the river, by the waterfall at the bottom of the valley, in water so cold it seemed more alpine than Vietnamese. As we started walking up the track again towards the town, the first Hmong tribespeople struck, a gaggle of muscled, chokin-like 10- and 11-year-olds, scampering up the steep path like goats and trying to sell us their earrings and bracelets.

"How old are you and what's your name?" I asked the smallest, who spoke alarmingly good English. "I'm eight, and my name is Sau," said Sau. "You should be in school," I said, maturely. "I don't like school, I've been already today," said Sau. "You buy earrings?"

We politely declined the earrings, and the indigo-dyed totebags, and everyone seemed happy enough, walking back up to the town together in the sunshine, the girls discussing this and that in Hmong, and generally laughing uproariously.

This was Monday in Sapa, on a beautiful winter day. Below us, the valley fell away in steep terraces to the river, and then rose up again to the spectacular long craggy ridges of Fansipan, at 3,143 metres (10,310ft) Vietnam's highest peak. The night before, as the sun set over the ridge and shot rays of misty light into the darkening valley, we had sat and watched the spectacle over a beer, from the faux-colonial terrace of the popular, \$12-a-night Auberge guest house.

A group of energetic middle-aged Italians, weighed down with equipment, assured us they were going to climb to the top of that distant ridge.

In the late morning warmth, as the Hmong chorled along with us, we speculated idly about just how far the Italians had got through the dense bamboo thickets on the lower slopes.

We had come to Sapa determined to prove that it is possible to travel in northern Vietnam without pain, or at least with very little. For Vietnam is a country, to paraphrase Doctor John-

son on the Giants' Causeway, which has many things worth seeing, many of which are not necessarily worth going to see.

In the north, in particular, straying far from Hanoi can easily turn into an 18th-century experience: hellish roads, bad food and ugly hotels where the bed-bugs are more active than the surly staff.

Tourists go to Sapa to see both



## Information

The nearest international airport is Hanoi, with daily flights from Bangkok and Hong Kong, as well as a weekly Air France flight from Paris. The Victoria coach on the Friday night train to Lao Cai leaves Hanoi's main station at 21.15, \$55 return. Berths should be booked in advance with the Victoria Sapa's Hanoi office tel: +844-933 0318 or fax: +844 933 0319. Email: victoria@vntel.vn.

the mountains and the hill people who live among them; most visitors come at the weekend for the Sunday market, which attracts crowds of Hmong, Red Dao and Gai people from the villages scattered around the valley. Mid-autumn or spring are the best times to go, when there is less risk of clouds and rain obscuring the spectacular scenery.

But aside from the uncertainties of the weather, the trip has always had its share of draw-

backs, notably the nine-hour overnight train ride to get from Hanoi to Lao Cai on the Chinese border, followed by an hour's drive up a treacherous, snaking road to Sapa itself. Accommodation, while well above the national average, has always been spartan at best. But that has now changed: the four-star Sapa Victoria Hotel has replaced the Auberge as the best place to stay in town.

The Victoria, with 76 rooms, is a bold experiment by its owners, a group of French investors who have set out to open affordable, good-quality hotels in corners of Vietnam previously considered too challenging for the well-heeled traveller. The manager is Claude Belland, a genial Frenchman with a penchant for waistcoats made from ethnic fabric, who has managed to create an atmosphere of low-key comfort in a three-storey building of wood and stone.

The hotel sits discreetly overlooking the town's ramshackle main street, with locally designed wooden furniture, and wooden floors, the rooms have the atmosphere of an alpine chalet. In the restaurant a Swiss chef, Nicolai, complements the Heidi-goes-to-Indochina atmosphere by offering raclette and cheese fondues, while the hotel's two pot-bellied pigs, Vic and Tor, add to the bucolic air by rooting peacefully in the gardens.

Having built a \$7m hotel more or less in the middle of nowhere, the Victoria's owners are now addressing the key issue of getting there. In mid-November, the hotel started offering berths in rented soft-sleeper carriages on the Friday night train from Hanoi, complete with pillows and clean sheets and staff to beat off the endless succession of vendors who stalk the crowded hell of the hard-seat carriages. Later this year, the Victoria plans to have purpose-built carriages on the train, including a restaurant car.

It was enough to lure me into the mountains, even if the overnight trip left me fit only for bed



Sapa: green rice terraces trickle down the hillsides. The difficulty of getting there means it is likely to remain off the beaten track

on the first morning. But after that there was no looking back. We scampered through the streets of the town on Saturday, now thronged with indigo-clad Hmong, the men wearing waistcoats and skull-caps giving Sapa on a Saturday a hint of the eastern European shawl.

We looked admiringly at Red Dao women, who, perhaps not surprisingly, wear bright red clothes on their heads; in the evening a squad of them had

been installed in the hotel lobby, offering yet more earrings and woven clothes, to the background strains of Frank Sinatra on the hotel's music system.

Contrived, perhaps, and a sign of how tourism is changing the lives of the ethnic minority people of Sapa, not always for the better. The famed Saturday night "love market" at which young villagers in town for the market once courted each other with songs and dances, has long gone

underground, the young romantics driven away by the attentions of Vietnamese and foreign tourists. And many of the young girls like Sau, who hawk their wares to the foreign visitors, have an uncertain future, having left school and work in the village for the easier and far more entertaining life in the town.

But Sapa still has a relaxed charm, and the difficulty of getting there means it is likely to remain off the beaten track for

some time, despite the best efforts of the Victoria's Belland.

Not that he seems to mind. When the hotel empties out after the weekend, he sets off on his old Hanoi police-issue Russian-made motorcycle and sidestep to tour the valley and surrounding areas, distributing Gallic charm and purchasing, I assume, more brightly coloured waistcoats.

"Sapa?" says Belland. "It is an extraordinary place." Once you get there.

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## TRAVEL

The three Méridas have more in common than their Spanish heritage, says Adam Hopkins – such as a tournament

High among the list of namesake cities, quite possibly the fairest of the fair, are the three Méridas, of Spain, Mexico and Venezuela. Las Méridas del Mundo, the Méridas of the World, is the name they proudly give themselves, being bound in close association by history and contemporary friendship.

I feel as if I have known Spanish Mérida the whole of my adult life. The old original was, and remains, a fairly quiet, deceptively ordinary but definitely pleasing little town. It sits on the banks of the River Guadiana, more or less in the middle of Extremadura, which is a great rugged reserve of unspoilt mountain, park-like pasture and agricultural terrain along the border with Portugal.

Extremadura produced many of those fierce conquistadors, the men who took South and Central America as well, by blood and steel, ferocity and cunning. Before the outstanding National Museum of Roman Art was founded in Mérida, it was known to aficionados for the greatest Roman ruins in the Iberian peninsula.

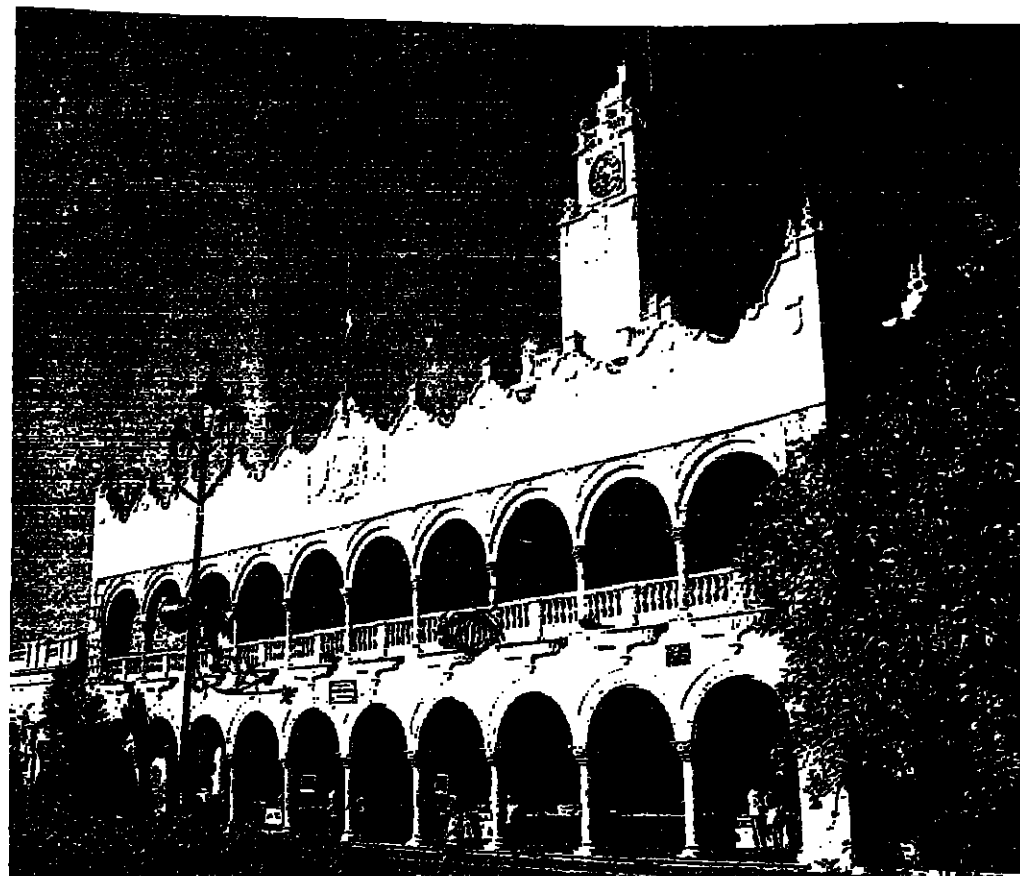
As Augusta Emerita – founded in 25BC for legionaries of the emperor Augustus – Mérida was the capital of Roman Lusitania. It boasts one of the finest theatres still surviving (with a festival of classic plays in July), an amphitheatre, temples, no end of mosaics and two aqueducts.

One of the latter, in majestic double tiers of arches, striped in red and white, was a source of inspiration for the great Mosque of Cordoba, begun by the Arabs 700 years later. Mérida, once upon a time, had clout.

Nowadays, as well as the museum, a soaring new bridge designed by Santiago de Calatrava contrasts with the surviving Roman one.

There is even a John Lennon Street, where one night I was caught up among a group of local gypsies, privileged to dance with them till suddenly, on no visible signal, all vanished simultaneously into the darkness.

Within Spain's post-Franco federal structure, Mérida, rather



Left: in Mexican Mérida, the colonial town hall was rebuilt in the 1850s. Right: in Venezuela, produce is harvested from nearly vertical hillsides



South American Pictures

## In the steps of the conquistadors

than an existing provincial capital, has become the chief city of Extremadura, the site of its parliament and government offices.

Dear Spanish Mérida, though still agreeably provincial, once again has clout. Mexican Mérida is a different kind of place, almost 1m strong, to Spanish Mérida's 70,000.

Capital of the flat and jungly, generally waterless peninsula of Yucatan, in the 19th century it boomed into wealth as the world capital of sisal, the raw material for rope. This was Mexico's "French" period, and Mérida was more Frenchified than most.

Chateaux and neo-classical palaces still stand grandly along the Paseo Montejo; its old colonial centre, built on the customary low-rise colonial grid in a white limestone, is referred to by all corners as la Ciudad Blanca, the White City.

The conquistador Francisco de Montejo the Younger founded the town in 1542 on the site of a Mayan city, and called it Mérida

because the massive stonework reminded him of the Spanish Mérida. He took the Mayan stone work down, though, siting a cathedral where the main temple had stood and using the stone to build it with.

Nowadays, though Mérida has no ruins, it offers access to the great surviving sites of the Ancient Mayas in these parts – above all to Chichén Itzá and Uxmal. It is a charming jumping-off point, famous for its markets, its hammocks, its locally produced Panama hats and for its huipils (long white dresses, home-embroidered with flowers top and bottom, worn by the Mayan women).

Mérida is precious above all for its atmosphere of peace – a little imperilled by being so close to the resort of Cancún.

It was here one evening that I decided to visit Mérida in Venezuela, founded in 1558 by a conquistador who was actually born in Spanish Mérida.

By the time I arrived in Venezuela I was famous – roped in as a paid-up supporter of the concept of Las Méridas del Mundo.



Landing at the airport, a strip right in the middle of the city, itself built on a sloping tableland in a deep Andean valley, I found that a police car, a policeman called Julio César, and enchanting Lidia from the town hall as a

guide, had been assigned to me for the duration.

In the office of Rigoberto Colmenares, the mayor, we discussed his strong support for the Three Méridas concept, with its jamborees between the top brass and any number of projects supposedly in the pipeline.

In the afternoon, I was shown a few key sites by José German Uzoategui, lawyer, journalist and manager of Mérida's professional football team, himself busy arranging a three-way tournament between the Méridas. I dined with Fortunato González Cruz, ex-mayor and professor of law, who had joined the other towns in giving an official push to their association back in the early 1980s; now he is fostering university links.

But there was a city to be seen and an astonishing mountain landscape to be explored – above the city rises the cloud-dampened forest, lying below the high altitude Andean paramo, or moorland. To wake in Venezuelan

Mérida and see the mountains go straight up on either side is an astonishing experience.

Like Spanish Mérida, the city is a delight, more for its atmosphere of ordinary liveliness than anything you can put a finger on. As in Mexican Mérida, the original grid of the old colonial city survives, though buildings are mostly modern. The large university means there are plenty of young people.

We went up to the paramo in the police car, occasionally flashing our orange light, and there walked round a stark black lake at more than 4,000 metres, which left me exhilarated.

On the way up, we watched local farmers harvesting potatoes from land almost vertical. We went up again next day, on the highest cable car in the world. On our return we could see the city spread out far below like icing sugar on its tableland.

And now it was time for William Dávila Barrios, the state governor. He said the project of

the Three Méridas was due for reform. Less of the mayoral meetings, he said, more serious thinking and serious talking to tackle the common problems and opportunities – water, tourism – that link the cities today, including an issue that interests him.

"We don't have oil like other parts of Venezuela. Our only resource is our people. By working hard, we have kept inflation down to 3 per cent compared with 30 per cent in the country overall. What our people have, and what we have in the university, is knowledge. What we can put forward for the century is the management of knowledge."

Maybe there is something here for the other Méridas.

Adam Hopkins visited both Mérida (Mexico) and Mérida (Venezuela) with Cox & Kings; tel 0171-873 5000. The company offers tours and tailor-made itineraries in both countries. When visiting Mérida (Spain) it is advisable to have a car to travel in greater Extremadura.

## TRAVEL

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## SPORT

Soccer is the great unifier among the poor and ethnically diverse in Marseilles, writes **Nicholas Woodworth**

The recent match that pitted Olympique de Marseille (OM) against Strasbourg in France's southern port city was a forgettable one. There was none of the theatrical style and quirky, individualistic play that at its best makes OM France's most exciting team.

Marseilles won by an elegant 1-0. It was enough to put the club, once again, at the top of the league table, just one point ahead of Bordeaux in the battle for this year's French championship. But for a first-time spectator in one of the Marseilles stadium's South Winners' grandstands, it hardly mattered that OM's attack was inconsistent, the teamwork patchy and the missed opportunities many. If the spectacle on the pitch was uncharacteristically lacklustre, the one in the stands was compelling. I could hardly keep my eyes on the game.

The 4,000 members of the South Winners believe in doing things with panache. Like Les Commando Ultras, Les Fanatics, Les Yankees Nord Marseilles, Les Dodgers and the other OM supporters' clubs that regard the stands at both ends of the ground as their personal fief, the Winners give OM everything they have. It was, above all, a vigorous exercise in group identification. "Qui ne s'entend pas n'est pas Marseillais" (Whoever does not jump is not Marseillais) is one of the Winners' popular chants. When it began, everybody started jumping up and down in unison. Orchestrated by high-energy cheerleaders equipped with high-volume sound systems, the fans are simply too busy to sit.

They wave vast banners and standards and club colours. They pound batteries of drums. They set off red flares and smoke-bombs. They suck on big marijuana roll-ups. They cheer, applaud, roar, swear, hiss, groan and thunder. Above all, they chant, often about winning.

And win they often do. Over the years Marseilles have won the French championship 10 times (four times consecutively), the French Cup 10 times and, in 1993, the championship and cup together. France's only European Cup winners, OM had six present or past players in France's victorious World Cup team last year. But, win or lose – and OM has also lived through dramatic periods of decline – Marseilles' population has never wavered in its support.

Football, quite simply, is a universal religion in this Mediterranean city. No subject moves the city's voluble inhabitants to greater passion or eloquence. There is not a bar in any quarter, rich or poor, in which each play and each player is not rigorously analysed and endlessly debated. There is not a family that does not know the composition of the OM team.

One of the more intriguing sports comeback attempts of recent years unfolds at the world indoor athletics championships in Japan this weekend.

Britain's Jason Livingston was just 22 and a European 60 metres gold medalist when he was handed a four-year ban for steroid abuse on the eve of the Barcelona Olympics in 1992.

Sent home to London in disgrace, the young sprinter needed somewhere to hide from the media firestorm, and chose the obscurity of south Wales. Recently, I met him on a freezing Monday evening at the bleak, windswept training track adjoining Newport docks.

Livingston's new trainer, a squat growling Scotsman in a flat cap named Jock Anderson, watched the sprinter explode down the track with all his old power.



Proud: Olympique de Marseille's Fabrizio Ravanelli, in white, fights off Celta Vigo players in this week's Uefa Cup quarter-final tie which OM won 2-1

## FOOTBALL

# Allons, les Marseillais

And there is not a year in which the city council does not unanimously vote generous subsidies for OM's maintenance. Of the 60,000 seats in Marseilles' Velodrome stadium, 40,000 are claimed by season ticket holders. No other town in France shows nearly the same enthusiasm for the sport, nor pride in its team. In this, OM's 100th anniversary year, even the Paris-based newspaper *Liberation* is paying tribute to a national phenomenon with a weekly series, *Une Saison à l'OM*.

What causes such passion? It is easy enough to say that Mediterranean Marseilles, being the most southern and most Latin of French cities, is the most susceptible to emotional enthusiasm.

And in Europe, in fact, a national north/south football divide, highlighting different mentalities and playing styles, does exist. In Spain, football is a more emotional affair in Andalusia in the far south than in industrial Catalonia in the far north-east of the country, a more exuberant sport in Naples in southern Italy than in industrious Turin to the north.

But Marseilles football is no lightweight matter. It could not be more serious. Football is one of the few things that holds the city together, these days.

Once a vital maritime

entrepôt and the economic powerhouse of the south, Marseilles today is a city down on its luck. Its great shipping days are long over. Many of its factories and businesses have closed. Unemployment is high and hope for change in the future low.

Potentially most explosive of all, much of its population is made up of diverse ethnic communities: Italians, Spaniards, Corsicans, Greeks, Armenians, Arabs and Afri-

can due to football. OM is the city's overriding passion, a way for everyone to find a common existence, an identity, a source of pride in a place which otherwise has not much cause for pride.

OM is the great unifier and transformer. It is no accident that in a city that has lost so much there is a group of passionate football fans calling themselves the South Winners.

Not long after the match, I visited the South Winners'

clubhouse in Le Pannier, the oldest and one of the poorest of Marseilles' working-class suburbs. The fans relaxing there were of all ages, races and backgrounds.

Some, such as Algerian-born Kamel Amer, are university lecturers. Others are ex-cons. No matter. As they told me themselves, once you are in communion with your team, you are no longer black, white or brown. You are an OM supporter.

Ironically, it is Bernard Tapie, the ex-owner-president who plunged OM into a disastrous match-fixing corruption scandal in 1993, who takes much of the credit for this kind of attitude. While Tapie, an ambitious populist politician under the Mitterrand government, may well have used football as a vote-getter and stepping stone for political power, his strategies were the salvation of many a street kid.

From 1989, when it became apparent that street trouble in Marseilles was on the rise, Tapie brought football to the poorest and most disaffected of the city's quarters. He created and funded the supporters' clubs, providing them with facilities and subsidised seats.

He toured the shums with OM star players, offered free tickets to the poor, laid on OM matches in prisons. Lobbied by the local media, he was viewed by many in Marseilles as a football demigod.

Even today, Tapie's downfall and imprisonment are popularly regarded as a politically engineered coup, the elimination of a charismatic hero who was rising too far, too fast. Even more resented is the fact that to bring Tapie down, OM was dragged down, too.

Relegation to the second division for two years still ranks, and fuels much anger against the Paris-based French Football Federation and, indeed, against all centralised French institutions. In the world of football, the club's humiliation

athletics career completely.

"I just found a job and worked," he says of the years after Barcelona. "Of course I was bitter. Every time a world championship or major event came around I'd get the mood swings and take it out on my family. It wasn't a good time. If I'd been by myself I'd have gone mad."

His glamorous friends from the summit of British sprinting proved less than supportive. Livingston's phone seldom rang down in south Wales. "When you're in the limelight you've got so many friends and hangers-on, but when something goes wrong you're the loneliest person in the world," he reflected.

"My best friend now is my wife." And Japan? "The favourite has got to be Maurice Green. He's run 6.45 this year so he's got to be favourite, but it's a championship so once you're in the final anyone can come through and run well. Once I make the final I'll be dangerous, and I prefer to run three rounds in a day than two."

And the Olympics? "I think I'm physically capable of getting to Sydney [next year]. I'll be 38 but that's not old for a sprinter. People like Donovan and Frankie Fredericks are running their best times now, and they're over 30. The four years that were taken from me I'm just going to add on to the end of my career."

Livingston has always protested his innocence over the drugs abuse charge, but says the idea of going back to investigate his own trail through those heady years when he was hailed as the next Linford Christie has no appeal.

He has seen an increasingly lax approach to drugs testing develop in recent years, both at national and Olympic level, yet found the grace to walk away from the bitterness that threatened to engulf him and end his

athletics career completely.

"I started off serving summonses and doing trace-work over the phone and started doing more and more varied work," he said. "It began in August last year. Money was tight and I needed to earn. It's more intense and at a higher level than the jobs I've done before, but I really enjoy it and I'm good at it, so why not?"

"It's not all Magnum and red Ferrari, I wish it was. But it's really great and when my athletic career is over it's something I'm going to want to start my own business in."

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Livingston has always protested his innocence over the drugs abuse charge, but says the idea of going back to investigate his own trail through those heady years when he was hailed as the next Linford Christie has no appeal.

He has seen an increasingly lax approach to drugs testing develop in recent years, both at national and Olympic level, yet found the grace to walk away from the bitterness that threatened to engulf him and end his

athletics career completely.

"I just found a job and worked," he says of the years after Barcelona. "Of course I was bitter. Every time a world championship or major event came around I'd get the mood swings and take it out on my family. It wasn't a good time. If I'd been by myself I'd have gone mad."

His glamorous friends from the summit of British sprinting proved less than supportive. Livingston's phone seldom rang down in south Wales. "When you're in the limelight you've got so many friends and hangers-on, but when something goes wrong you're the loneliest person in the world," he reflected.

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MICHAEL THOMPSON-NOEL

## Kiwi goes from zero to hero in 101 minutes

I was in the gym the other evening, running my socks off, when Boris, my Russian buddy, stepped on to the neighbouring treadmill and asked if I was cool. Boris is a professional marathon runner and is training for the London Marathon.

"Sure I'm cool," I said. "What do you want to know?" Boris finds life in the west mystifying, and always wants to know something.

"I want to know what this New Zealand cricket, Geoff Allott, did this week that was so unusual," said Boris. "I hear he scored a record-breaking zero in a Test match against South Africa. He said it was probably the best duck he'll ever score. What was he meaning? Why is cricket so peculiar?"

"It's peculiar, all right," I agreed. "Just look at it like this. Allott came to the crease when his side were on 320 for nine, still 102 runs away from avoiding the follow-on and with nearly 15 hours of the fourth day to play.

"Allott, a left-arm seam bowler who bats right-handed, proceeded to survive for 101 minutes, facing 77 balls to break a 53-year-old record for the longest scoreless Test innings in the game's history. England's Godfrey Evans took 97 minutes to score his first run against Australia in Adelaide in 1946 but Allott had not even scored when he was finally caught at slip.

"Asked whether he was afraid he might edge a four through slips on the way towards one of cricket's least sought-after records, Allott scoffed at suggestions he was aiming for the record. He said tailenders were never afraid of getting runs. However, he entered into the spirit of a remarkable occasion by raising his bat to all corners of the ground in salutation. "Even the South Africans were smiling," declared a sheepish Allott. "You've got to see the funny side."

"Is a crazy business for sure," snorted Boris contemptuously, stabbing at the treadmill's controls and accelerating to a speed at which he became just a sweaty blur.

□□□□

Last summer, the only friend David Beckham had was this column. Becks is the Manchester United and England soccer star who was vilified by the mad dogs of the English soccer-writing fraternity when given a red card and expelled from the field during a World Cup match against Argentina. All he had done was flap his leg languidly at Argentine midfielder Diego Simeone.

England lost the Argentina match on a penalty shoot-out, and its deranged soccer journo's blamed Becks for preventing England from winning the World Cup. Beckham was hounded like a traitor, mainly because the mad scribes hate him for his blond, sultry looks, wealth and glamour.

□□□□

Once bitten, twice shy. As a result, I doubt that serious punters will break their necks to stake money on those po-faced men of Formula One motor racing this season – not after last year's opening-day fiasco in the Australian Grand Prix which saw David Coulthard permit McLaren team-mate Mika Hakkinen to overtake him and thus claim victory.

Coulthard handed the race to Hakkinen because of a pre-race agreement between them. The pair were warned this week by Ron Walker, the Australian promoter, that if tomorrow's race was marred by a similar farce, the crowd would be enraged.

The McLaren team says Formula One is not a sport suited to betting, because teams need freedom to decide how drivers should react to circumstances. Walker disagrees. People want to be able to bet on their heroes, he says, warning the Formula One bosses that "there is a lot of money on the race this weekend."

□□□□

In London, spread-betting firms make former world champion Michael Schumacher their pre-season favourite with an opening quote of 80-84 points, on the basis of 10 points for a race win, six for a second, four for a third, three for a fourth, two for a fifth and one for a sixth. If you think Schumacher will score more than 84 points, you are a buyer; less than 80, you are a seller. Last season he scored 86 points. Other eve-of-season London quotes: Hakkinen, 74-78 points; Coulthard, 55-59; Eddie Irvine, 40-44; Damon Hill, 26-29.

If I had to make a bet, I would buy Hakkinen and sell Michael Schumacher. But I do not regard Formula One as a true sport, so I'm not sure I'll bother.

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## What's on around the world

### AMSTERDAM

#### OPERA

**De Nederlandse Opera, Het Muziektheater**  
Tel: 31-20-551 8911  
Die Zauberflöte: by Mozart. Conducted by Hartmut Haenchen in a revival of Pierre Audi's staging co-directed by Saskia Boddeke; Mar 8, 10

### BARCELONA

#### EXHIBITION

**Museu Picasso**  
Tel: 34-3-319 6310  
Picasso - Engravings 1900-1942: more than 250 works on loan from the Musée Picasso in Paris; to Apr 4

### BERLIN

#### OPERA

**Deutsche Oper**  
Tel: 49-30-34384-01  
Rise and Fall of the City of Mahagonny: by Kurt Weill, libretto by Brecht. New staging by Günter Krämer, conducted by Lawrence Foster, with designs by Gottfried Pitz and Isabel Ines Glöckner; Mar 11

### BONN

#### EXHIBITION

**Kunst- und Ausstellungshalle der Bundesrepublik Deutschland**  
Tel: 49-228-917 1200  
www.kah-bonn.de  
High Renaissance in the Vatican: Art and Culture at the Papal Court (1503-34). Masterpieces from the early 16th century, when Rome established itself as the centre of art in Europe, and the Vatican commissioned work from Leonardo da Vinci, Michelangelo and Raphael; to Apr 11

### CHICAGO

#### CONCERTS

**Orchestra Hall**  
Tel: 1-312-254-3000  
www.chicagosymphony.org  
● Chicago Symphony Orchestra: conducted by Andrew Davis in works by Mozart and Elgar, with piano soloist Andreas Heeflinger; Mar 6, 9  
● Chicago Symphony Orchestra: conducted by James Levine in Mahler's Symphony No. 3. With mezzo-soprano Michelle DeYoung, woman of the Symphony Chorus and the Glen Ellyn Children's Chorus; Mar 11, 12

#### EXHIBITION

**Chicago Cultural Center**  
Tel: 1-312-744 6530  
Landmarks of New York and Chicago: display of 150 photographs, celebrating some of the most important buildings in both cities; to May 30

#### OPERA

**Lyric Opera of Chicago**  
Tel: 1-312-332 2244  
www.lyricopera.org  
Die Meistersinger von Nürnberg: by Wagner. Conducted by Christian Thielemann in a staging by Kurt Horne, with designs by Andreas Reinhardt; Mar 6, 10

### CLEVELAND

#### EXHIBITION

**Cleveland Museum of Art**  
Tel: 1-216-421 7340  
www.clemauseum.org  
Diego Rivera: Art and Revolution. Major retrospective of the Latin American painter and muralist pioneer. Features 125 works including public and private loans from Europe, Japan and Mexico; to May 2

### COLOGNE

#### EXHIBITION

**Wallraf-Richartz Museum**  
Tel: 49-221-223 02  
www.museum-wr.de  
Arené de Gelder (1645-1727): first monographic exhibition devoted to Arené de Gelder, one of Rembrandt's most prominent pupils. The show includes 58 paintings and 13 drawings; to May 9

### COPENHAGEN

#### EXHIBITIONS

**Louisiana Museum of Modern Art, Humlebaek**  
Tel: 45-4819 0719  
www.louisiana.dk  
Henri Cartier-Bresson: Europeans. Previously seen in Paris and London, this show brings together 185 works ranging across the photographer's career from the 1930s to the present; to Jun 6

**Statens Museum for Kunst**  
Henri Matisse: Four great collectors. Brings together works from what were once the greatest private collections of Matisse's art. The show was organised jointly with the Hermitage Museum in St. Petersburg, where it opened last year; to May 24

### EDINBURGH

#### CONCERT

**Queen's Hall**  
Tel: 44-131-668 2019  
Scottish Chamber Orchestra: Andrew Litton conducts Robin Holloway's new Double Bass Concerto, performed by Duncan McTier. The programme also includes works by Dvorák and Schumann; Mar 11

### FORT WORTH

#### EXHIBITION

**Kimbell Art Museum**  
Tel: 1-817-3328451  
www.kimbellart.org  
Matisse and Picasso: A Gentle Rivalry. More than 100 paintings, sculptures and drawings on loan from collections around the world make up this first-ever exhibition devoted to the relationship between the two great modernists; to May 2

### GLASGOW

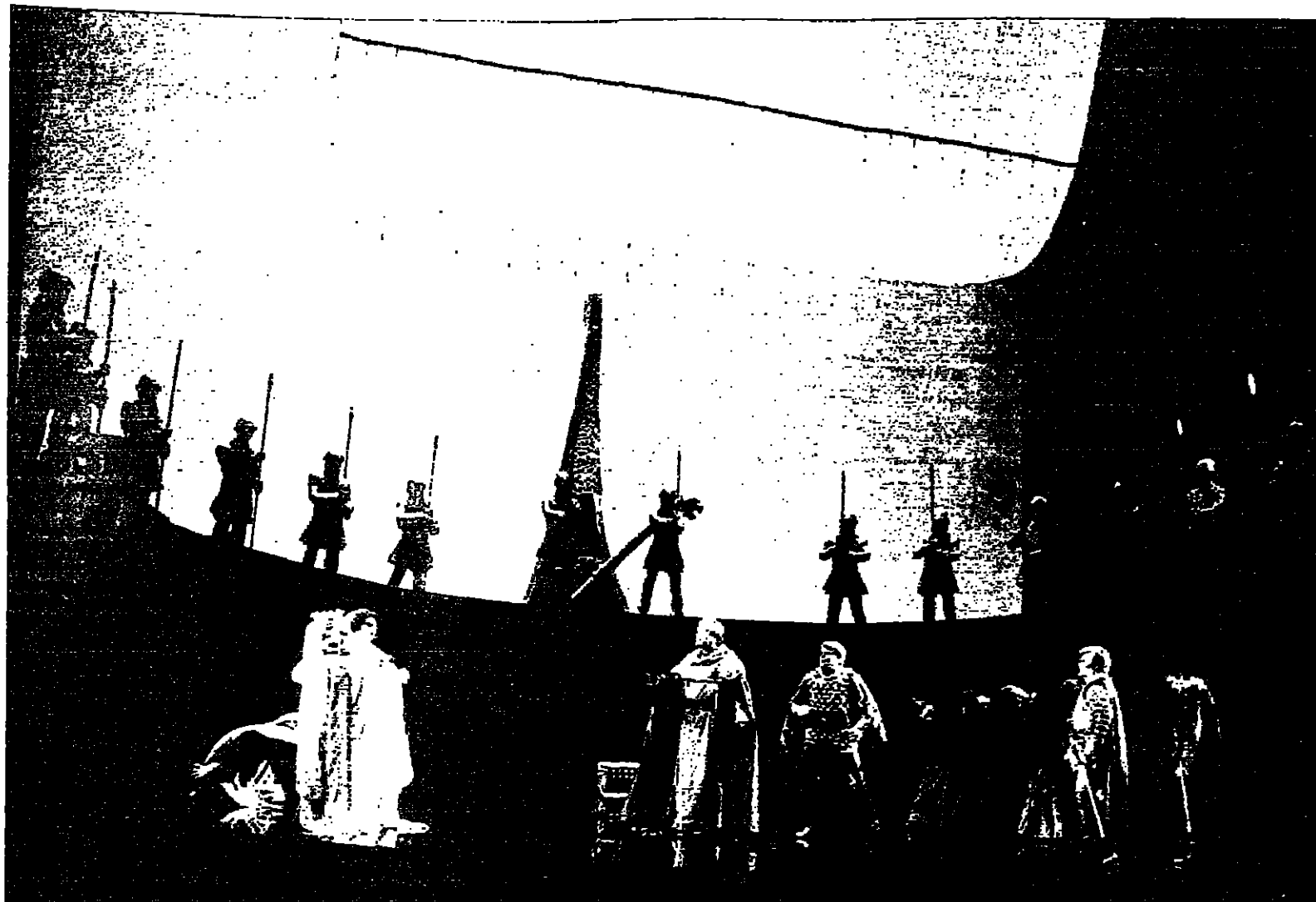
#### CONCERT

**City Hall**  
Scottish Chamber Orchestra: Andrew Litton conducts Robin Holloway's new Double Bass Concerto, performed by Duncan McTier. The programme also includes works by Dvorák and Schumann; Mar 12

#### OPERA

**Scottish Opera, Theatre Royal**  
Tel: 44-141-332 8000  
The Magic Fountain: by Delius. Conducted by Richard Armstrong in a new staging by Aiden Lang.

## INTERNATIONAL ARTS GUIDE



Lotfi Mansouri's staging of Wagner's 'Tristan und Isolde', conducted by Heinz Fricke, at the Washington Opera on Monday

with designs by Ashley Martin-Davis; Mar 6

### LAUSANNE

#### OPERA

**Opéra de Lausanne, Théâtre Municipal**  
Tel: 41-21-310 1600  
Dido and Aeneas: by Purcell/Curlew River: by Britten. Double-bill conducted by David Stern, with the Purcell Consort and the Britten by Yoshi Oka; Mar 12

### LILLE

#### EXHIBITION

**Palais des Beaux Arts**  
Goya: un regard libre. Small-scale exhibition which explores the range and peculiarities of the painter's work. The 50 works on display include loans from around the world; to Mar 14

### LONDON

#### CONCERTS

**Royal Festival Hall**  
Tel: 44-171-980 4242  
● City of Birmingham Symphony Orchestra and Chorus: conducted by Simon Rattle in works by Lutoskiński, Takemitsu and Adams. With guitar soloist John Williams; Mar 6  
● London Philharmonic Orchestra: conducted by José Serebrier in a programme including works by Stravinsky, Piazzolla, De Falla and Rodrigo. With guitar soloist Slava Grigoryan and castanets soloist Lucero Tena; Mar 12  
● Orchestra of the Age of Enlightenment: conducted by Mark Elder in works by Beethoven, Brahms and Liszt. With the Philharmonia Chorus, tenor Justin Lavender and mezzo-soprano Jane Irwin; Mar 7, 9  
● Philharmonia Orchestra: conducted by Christoph von Dohnányi in works by Berg and Schubert, with violin soloist Kyung Wha Chung; Mar 9

#### EXHIBITIONS

**Barbican Art Gallery**  
Tel: 44-171-638 8891  
● Africa by Africa: A Photographic View. Spanning the breadth of photography produced in Africa since the 1920s. Includes works by Mami Cassel, Seydou Keita and Samuel Fosso; to Mar 28  
● Picasso and Photography: The Dark Mirror. Exhibition exploring the influence of photography upon the artist's work; to Mar 28

#### British Museum

**British Museum**  
Tel: 44-171-638 1553  
The Golden Sword: Stamford Raffles and the East. Display bringing together biographical material with objects collected by the self-taught scholar who is chiefly remembered as the founder of Singapore. Includes musical instruments, masks and shadow puppets; to Apr 18

#### Hayward Gallery

**Hayward Gallery**  
Tel: 44-171-261 0127  
www.hayward-gallery.org.uk  
Patrick Caulfield: major retrospective of the British pop artist; to Apr 11, then touring in Europe and the US

#### National Gallery

**National Gallery**  
Tel: 44-171-639 3321  
● Orazio Gentileschi at the Court of Charles I: first-ever retrospective of the 17th century Italian painter, friend to Caravaggio, and Court Painter to Charles I. Includes a group of works from the Queen's House in Greenwich, sold after the king's execution and never seen together since; to May 23, then travelling to Bilbao  
● Portraits by Ingres: Images of an Epoch. 40 paintings and 50 drawings by the 19th century French painter. Includes major loans from museums in France, the US and elsewhere; to Apr 25, then touring to the US

#### Queen's Gallery

**Queen's Gallery**  
Tel: 44-171-639 1377  
The King's Head: organised to coincide with the 350th anniversary of the regicide, this biographical exhibition brings together images of Charles I from all stages of his life. Includes Van Dyck's triple portrait, prints, medals and books; to May 3

#### Royal Academy of Arts

**Royal Academy of Arts**  
Tel: 44-171-300 8000  
Monet in the 20th Century: arriving in London from Boston, this exhibition brings together late works by the founder of Impressionism. The 80 paintings on display include important public and private loans, culminating in a group of seven of the monumental water lily panels which were the triumph of his career. Also included are paintings of London and Venice; to Apr 18

#### Tate Gallery

**Tate Gallery**  
Tel: 44-171-667 8000  
Jackson Pollock: arriving in London from New York, this major retrospective of the Abstract Expressionist comprises around 80 paintings and drawings drawn from major public and private collections worldwide; from Mar 11 to Jun 6

#### OPERA

**English National Opera, London Coliseum**  
Tel: 44-171-632 8300

● La Traviata: by Verdi. Michael Lloyd conducts a revival of Jonathan Miller's production, with a cast including Claire Rutter and Alan Ople; Mar 11  
● Parsifal: by Wagner. Conducted by Mark Elder in a new staging by Nikolaus Lehnhoff, with sets by Reinhold Bauer and costumes by Andrea Schmidt-Futler. Cast includes Kim Begley and Jonathan Summers; Mar 6

#### THEATRE

**Albany Theatre**  
Tel: 44-171-359 1740  
Vassa: by Maxim Gorky. Howard Davies directs Peter Gill's new version of the Russian comedy, with Sheila Hancock in the title role

#### Almeida Theatre

**Almeida Theatre**  
Tel: 44-171-359 4404  
Speer: by Esther Villar. New play about the Nazi architect directed by and starring Klaus Maria Brandauer; opens Mar 9

#### Barbican Theatre

**Barbican Theatre**  
Tel: 44-171-638 8891  
● The Merchant of Venice: by Shakespeare. Royal Shakespeare Company production directed by Gregory Doran with designs by Robert Jones. The cast stars Philip Voss; in repertory to Mar 9  
● Measure for Measure: by Shakespeare. Michael Boyd directs a Royal Shakespeare Company production with a cast including Clara Hovman; in repertory to Mar 11

#### Comedy Theatre

**Comedy Theatre**  
Tel: 44-171-359 1731  
Little Malcolm and his Struggle Against the Eunuchs: by David Halliwell. First seen at Hampstead Theatre, Denis Lawson's production stars Ewan McGregor

#### National Theatre, Lyttelton

**National Theatre, Lyttelton**  
Tel: 44-171-928 2252  
The Forest: by Alexander Ostrovsky. Adapted by Alan Ayckbourn and directed by Anthony Page, with a cast including Michael Feast, Frances de la Tour and Michael Williams

#### National Theatre, Olivier

**National Theatre, Olivier**  
Tel: 44-171-928 2252  
Troilus and Cressida: by Shakespeare. New production directed by Trevor Nunn. Cast includes Roger Allam, David Bamber, Peter De Jersey and Sophie Okonedo; previews

#### Queen's Theatre

**Queen's Theatre**  
Tel: 44-171-494 5040  
Macbeth: by Shakespeare. Theima Holt's new production stars Rufus Sewell and Sally Dexter, and is directed by John Crowley

### LOS ANGELES

#### EXHIBITIONS

**Los Angeles County Museum of Art**  
Tel: 1-213-857 6000  
www.lacma.org  
● Ancient West Mexico. Art of the Unknown Region: comprehensive overview of West Mexican art between 200 BC and 800; to Mar 29  
● Van Gogh's Van Goghs: Masterpieces from the Van Gogh Museum, Amsterdam. Display of 70 paintings on loan during the period of the Dutch museum's renovation. Includes masterpieces such as 'Potato Eaters' (1885) and 'Wheatfield with Crows' (1890); to May 16

#### OPERA

**L. A. Opera, Dorothy Chandler Pavilion**  
Tel: 1-213-972 8001  
www.laopera.org  
La Traviata: by Verdi. Conducted by Gabriele Ferro in a staging by Maria Domingo, with a cast led by Carol Vaness; Mar 6

### MADRID

#### EXHIBITIONS

**Fundación Juan March**  
Tel: 34-91-435 4240  
Marc Chagall: Jewish Traditions. 40 paintings by the Russian-French painter, produced between 1909 and 1976; to Apr 11

#### Tijssen-Bornemisza Museum

**Tijssen-Bornemisza Museum**  
Tel: 34-914-203 944  
El Greco: Identity and Transformation. Focusing on the years 1560-1600, this exhibition follows the artist's early apprenticeship in Crete and Italy, in an attempt to shed light on his subsequent 'Spanish transformation'. The 80 works on display include major public and private loans; to May 16, then travelling to Rome and Athens

### MILAN

#### EXHIBITION

**Palazzo Reale**  
Tel: 39-02-8691 5738  
L'Anima e il Volto: (The Soul and the Face): major exhibition of portraits, comprising 370 works ranging over 400 years. Artists represented include Titian, Caravaggio and Francis Bacon; to Mar 14

### MONTREAL

#### EXHIBITION

#### Montreal Museum of Fine Arts

**Montreal Museum of Fine Arts**  
Tel: 1-514-285 1600  
www.mbam.ca/mcam.org  
Monet at Giverny: 22 paintings, produced during the last 20 years of the artist's life, loaned by the Musée Marmottan in Paris; to May 9

### MUNICH

#### CONCERTS

**Philharmonie Gasteig**  
Tel: 49-89-5481 8181  
● Bavarian Radio Symphony Orchestra: conducted by Lorin Maazel in works by Mozart and Bruckner. With piano soloist Murray Perahia; Mar 10  
● Munich Philharmonic Orchestra: conducted by Gintautis Giedraitis in his own Presenta Alma, and in Rossini's Petite Messe solennelle; Mar 9, 11, 12

#### EXHIBITIONS

**Haus der Kunst**  
Tel: 49-89-211270  
● Angelika Kaufmann (1741-1807): retrospective of works by the Swiss decorative artist, who was a founder member of London's Royal Academy. Includes paintings, drawings, prints and porcelain; to Apr 18  
● Art Across Borders: Classical Modernism from Cézanne to Tinguely and World Art - as seen from Switzerland. Display of the collection made by Swiss redoubt Josef Müller (1887-1977), which combined European art with classical antiquities and pre-Columbian art. Includes works by Cézanne, Kandinsky and Miro; from Mar 7 to May 30

#### JAZZ

**Philharmonie Gasteig**  
Tel: 49-89-5481 8181  
BB King: performance by the blues guitarist; Mar 6

#### OPERA

**Bayerische Staatsoper**  
Tel: 49-89-2185 1920  
www.staatsoper.bayern.de  
Katy Kabanova: by Jarmak. Conducted by Paul Daniel in a staging by David Pountney, with sets by Stefano Lazzarini and costumes by Marie Jeanne Lecca; Mar 6, 12

### NAPLES

#### EXHIBITION

**Museo di Capodimonte**  
Matti Preti between Rome, Naples and Malta: first of three special exhibitions marking the 300th anniversary of the death of Mattia Preti (1633-1699), the southern Italian painter known as 'il Cavaliere Calabrese'. The show emphasises the influence of Caravaggio, and includes about 60 paintings and 30 drawings; to Jun 11

### NEW YORK

#### CONCERTS

**Avery Fisher Hall, Lincoln Center**  
Tel: 1-212-875 5030  
www.lincolncenter.org  
● New York Philharmonic: conducted by Ivan Fischer in works by Beethoven and Mahler, with soprano Amanda Roocroft; Mar 6  
● New York Philharmonic: conducted by Gisele Ben-Dor in works by Beethoven and Mahler, with soprano Amanda Roocroft; Mar 9  
● New York Philharmonic: conducted by Paavo Järvi in works by Paul Creston, Bartók and J. Brahms; Mar 11, 12

#### EXHIBITIONS

**Guggenheim Museum**  
Tel: 1-212-423 3500  
www.guggenheim.org  
● Jim Dine: Working Memory, 1959-1969. More than 100 works make up this survey of the American artist, including photographs, paintings and performance pieces; to May 18  
● Picasso and the War Years 1937-1945: more than 75 works - which together explore Picasso's response to the period which began with the Spanish Civil War and ended with the liberation of France. Includes major public and private loans; to May 8

#### Metropolitan Museum of Art

**Metropolitan Museum of Art**  
Tel: 1-212-879 5500  
www.metmuseum.org  
● Cubism and Fashion: examining the ways in which Cubism has been translated into fashion; to Mar 14  
● Dossio Dossi, Court Painter in Renaissance Ferrara: much influenced by Giorgione and Titian, Dossio Dossi was the last of the Ferrarese painters. This exhibition includes rarely lent masterpieces from the Borghese Gallery in Rome and other European collections; to Mar 28

● Picasso: Painter and Sculptor in Clay. Seen last year at London's Royal Academy, this show brings together 175 ceramic works by Picasso, mostly created between 1947 and 1962; to Jun 6

#### OPERA

**New York City Opera, New York State Theater**  
Tel: 1-212-870 5570  
www.nycoera.com  
● Lizzie Borden: by Jack Beeson. New production conducted by George Marchan in a staging by

Rhoda Levine, with Phyllis Pancelia in the title role; Mar 6, 10  
● Madama Butterfly: by Puccini. Conducted by Guido Johannes Runstad in a staging by Mark Lamos and Ian Glen in David Hare's new version of Schindler's La Ronde

#### THEATRE

**Circle Theatre**  
Tel: 1-212-238 6200  
Not About Nightingales: by Tennessee Williams. Directed by Trevor Nunn in a production first seen in London, starring Corin Rodgrave

#### Classic Stage Company

**Classic Stage Company**  
Tel: 1-212-238 6200  
The Misanthrope: by Molière, in a new version by Martin Crimp starring Uma Thurman and Roger Rees

#### Carl Theatre

**Carl Theatre**  
Tel: 1-212-238 6200  
The Blue Room: Sam Mendes directs Nicole Kidman and Ian Glen in David Hare's new version of Schindler's La Ronde

#### Ethel Barrymore Theatre

**Ethel Barrymore Theatre**  
Tel: 1-212-238 6200  
Electra: Zoë Wanamaker plays the title role in David Leveaux's production of Sophocles' tragedy, in a new version by Frank McGuinness

#### Playwrights Horizons Theatre

**Playwrights Horizons Theatre**  
Tel: 1-212-279 4200  
Betty's Summer Vacation: by Christopher Durang. New play set in the Hamptons, directed by Nicholas Martin; previews

#### Roundabout Theatre

**Roundabout Theatre**  
Tel: 1-212-719 1300  
The Lion in Winter: by James Goldman. New staging directed by Michael Mayer. The cast is led by Laurence Fishburne and Stockard Channing; opens Mar 11

### PARIS

#### EXHIBITIONS

**Grand Palais**  
Tel: 33-1-4413 1730  
Un ami de Cézanne et de Van Gogh: le docteur Gachet (1820-1909). Exhibition devoted to the doctor and painter who was a friend to Cézanne, Pissarro, Monet and Renoir as well as to Van Gogh; to Apr 26, then transferring to New York

#### Musée d'Orsay

**Musée d'Orsay**  
Tel: 33-1-4049 4814  
www.musee-orsay.fr  
● Edward Burne-Jones: major retrospective of the British pre-Raphaelite painter, which forms the mainstay of the museum's 'season anglaise'; to Jun 6  
● Gothic Revival: Architecture and Decorative Arts of Victorian England. Display examining the fascination of mid-19th century artists with medieval art, with particular emphasis on the nascent Arts and Crafts movement; to Jun 6  
● Lewis Carroll: photographs by the author of Alice in Wonderland, of subjects including the young Alexandra Kichin, and the actress Ellen Terry; to Jun 6

#### Musée du Louvre

**Musée du Louvre**  
Tel: 33-1-4020 5151  
www.louvre.fr  
Eternal monuments of Ramses II: New Theban excavations. Display of the latest archaeological findings from the Egyptian pharaoh's tomb; to May 10

#### OPERA

**Opéra National de Paris, Opéra Bastille**  
Tel: 33-1-4473 1300  
www.opera-de-paris.fr  
Macbeth: by Verdi. Conducted by Gary Bertini in a staging by Phyllida Lloyd, with designs by Anthony Ward. Cast includes Jean-Philippe Lafont and Marie Guleghin; Mar 9

#### Opéra National de Paris, Palais Garnier

**Opéra National de Paris, Palais Garnier**  
Tel: 33-1-4343666  
www.opera-de-paris.fr  
La Clemenza di Tito: by Mozart. Conducted by Ivor Bolton in a staging by Willy Decker with designs by John MacFarlane. Cast includes Theo van der Walt and Christine Goeke; Mar 7, 12

### PORTLAND

#### JAZZ

**Schmitzer Concert Hall**  
Tel: 1-503-248 4335  
Lincoln Center Jazz Orchestra: America in Rhythm and Tune. First date of the Duke Ellington centennial tour, led by Wynton Marsalis; Mar 10

### ROME

#### EXHIBITIONS

**Galleria Nazionale d'Arte Moderna**  
Tel: 39-06-322 981  
Picasso 1937-1953: The Italian Years. Around 70 works, including paintings, sculptures, ceramics and drawings, from the period between 1937 and 1953;

to Mar 14

#### Palazzo delle Esposizioni

**Palazzo delle Esposizioni**  
Tel: 39-06-474 5903  
Algarbi: The Other Face of the Baroque. First major exhibition devoted to Bernini's great rival, the Bolognese artist Alessandro Algardi. Includes 66 sculptures in bronze, terracotta, marble and silver, and 47 drawings; to Apr 30

### SAN FRANCISCO

#### CONCERTS

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## WEEKEND INVESTOR

## REVIEW

**Bacardi may tango • Westland affair whirrs back • Goldman still has a floating feeling**

# Fresh Domecq cocktail ready to be mixed?

Allied Domecq started life as a brewer but directed its surplus cashflow into everything from Tetley tea-bags to Teacher's whisky. The hard stuff proved more addictive, especially as a price-inflating poison pill against a cheeky 1985 assault by Australian upstart Elders-XXL. Allied Lyons, as it then was, paid C\$3bn for Canadian spirits giant, Hiram Walker.

Five years ago Allied bought full control of Spanish brandy and tequila firm Domecq for \$1bn. Along the way it shed Tetley tea, dozens of other Lyons food brands and more recently the breweries that bankrolled its diversification in the first place. This week speculation resurfaced that 4,000 pubs are to go, by way of a demerger, along with Dunkin' Donuts, Baskin-Robbins and anything that cannot muster at least 14 per cent alcohol by volume.

No buttons have yet been pressed but chief executive Tony Hales confirmed that all impediments to a demerger have been quietly removed. He added, however, that Allied would "need to be a positive reason to proceed."

Meanwhile, from Bermuda came indications that the 450 descendants of the Cuban founder of Bacardi might be prepared to consider floating their inheritance. Bacardi's white rum is far and away the best-selling spirit brand in the world.

The line given by Chip Reid, Bacardi's non-family chief executive officer, was that Bacardi wanted to add a big-name vodka and probably a tequila to its portfolio. Lex concluded that the company "will probably slip down rather nicely" if it does decide to float. It also wondered, in passing, whether Allied Domecq might "finally find its tango partner."

## 'Copter shocker may end in a union

**A few ageing movers and shakers tripped down memory lane on Wednesday when helicopter makers Westland and Agusta of Italy said they were close to a merger. Few molehills have grown into larger mountains than the attempted rescue in 1985 of**



**Anglo-Italian EH-101s whirl together. So may Westland and Agusta**

Westland by a consortium involving Agusta. The affair led to the resignations of then defence secretary Michael Heseltine and trade secretary Leon Brittan.

Westland was in serious financial difficulties at the time and to stave off the banks it proposed to raise cash from US rival Sikorsky. This was all but agreed when Heseltine decided to champion a rival rescue consortium which included Agusta.

Ultimately shareholders voted for Sikorsky. As it turned out, the US company did not pursue its interest much beyond the 30 per cent stake earned by its survival handout. Instead, after returning to health, Westland was taken over by GKN in 1994 for £590m.

if the Westland/Agusta deal is done, GKN will probably have a 50 per cent share in a new company with a £5bn order-book. Indications that the merger discussions are close to a conclusion came as GKN announced 1998 pre-tax profits of £707m, up from £406m.

In January, Goldman's joint boss Joe Corzine was moved aside. Corzine had championed flotation against a measure of scepticism within the partnership, especially John Thornton and finance officer John Thain, each recently promoted to the post of joint chief operating officer.

Suggestions that these ins and outs meant the flotation would also be dropped were stoutly denied by the bank and this announcement dispels any lingering doubt. Lex commented that Goldman deserved credit for "grabbing the bull market by the horns" but reckoned that "the dreams of the \$300m valuation are gone". The valuation suggested by Lex is more like \$200m, putting Goldman at a modest price-earnings discount to the likes of Merrill Lynch and Morgan Stanley Dean Witter.

The discount reflects the crash in Goldman's profits in the fourth quarter of 1998, which highlighted the amount of low-value risky proprietary trading it undertakes alongside higher-value investment banking. Much better figures for the following period will be announced a week on Monday, a week after the formal partnership links up on a worldwide video network for a vote to reschedule the flotation.

A study by the Stern Business School in New York suggests the world's 10 leading investment banks have doubled their share of the global market since 1990, to 77 per cent.

## Goldman goes for float – part 2

The bulge bracket's most bulging member, investment bank Goldman Sachs, reconfirmed plans to go public soon. Originally planned for last September, the flotation had to be scrapped following the global turmoil

## ■ Last week's interim results

Company	Sector	Half year	Pre-tax profit £m	Interest deduction per share (p)
Biffar	AMM	Dec	170 (459)	3 (5)
Brit. Alcolac	AMM	Dec	136 (21)	0.9 (0.7)
CALA	SalCo	Dec	552 (348)	1.56 (1.46)
Coca Brothers	OFIs	Jan	332 (38.8)	3.3 (4.8)
Domestic & General	Insur	Dec	728 (8.6)	4 (3.5)
Drainage & General	Wtfr	Dec	195 (1)	1.6 (1.2)
Drax	Coal	Dec	4.04 (-)	- (-)
ENIC	LHM	Dec	0.62 (-)	- (-)
Fininvest	Inst	Dec	13.8 (14.4)	2.8 (2.7)
Handling Mail Group	Wtfr	Dec	314.2 (320.2)	1.56 (1.55)
Imperial Smelteries	AMM	Jan	189 (18.5)	1.5 (1.5)
Ironstone	AMM	Jan	0.929 (0.8)	1.5 (1.5)
Ko-Alwood Group	Trans	Jan	21.1 (20.4)	3.5 (3)
Loys	SpGr	Dec	110.1 (88.3)	2 (1.22)
Horca Smith	AMM	Sep	5.271 (5.582)	1.3 (1.3)
Hydro-Systems Prod	Inst	Jan	422.16 (376.04)	3.36 (3.25)
London Finance	OFIs	Dec	0.108 (0.17)	1 (0.5)
Lyles (S)	NavG	Dec	0.301 (0.458)	1 (1.1)
Mc Carrie High Inc	Wtfr	Jan	8.8	2.16 (2.1)
M&B	Inst	Dec	8.8 (18.2)	2.5 (2.5)
NHF	Prop	Dec	4.16 (1.8)	2.6 (1.8)
News Chan & Media	Med	Dec	9.29 (8.85)	6 (6)
Oxyphoset	AMM	Dec	0.222 (0.25)	0.5 (-)
Production	PRMP	Dec	4.56 (4.5)	0.66 (0.6)
PowerGen	Elac	Jan	245.1 (20)	1.2 (1)
Radrow	AMM	Dec	26.1 (22.2)	1.6 (2.3)
Reinhold	EMEE	Dec	11.67 (9.78)	3.68 (3.32)
Second Scott Nat	Wtfr	Jan	13.8 (10.6)	2 (2)
Shaw	SpGr	Nov	1.52 (1.5)	1.5 (1.5)
Wainhouse	SpGr	Jan	7.13 (6.3)	1.6 (1.5)
White Young Green	SpGr	Dec	1.24 (0.17)	1.6 (1.5)

(Figures in parentheses are for the corresponding period.) \*Dollars are shown net pesos per share, and where otherwise indicated, L=line, † Net asset value per share, ‡ High points and peaks, § 3-month figure, US dollars and cents, € Euro's, ₤ Dutch Guilder, @ Previous year and figure, Ⓔ Net asset value, ¶ Pro to results versus pro forma income, © 6-month figure, † 12-month figure, ‡ 15-month figure.

## Current takeover bids and mergers


Company bid for	Value of bid per share*	Market price	Pre bid value	Value of bid per share*	Bidder
Advest Automotive	150 <sup>a</sup>	148	134	124.8	Darr Auto
Aluminum	3974	3416	34	18.0	Reynolds
Blockbuster	4254	3416	104.64		Blockbuster
Dellart Corp.	590 <sup>a</sup>	5574	4821	181.7	Adco
Deputy Corp.	590 <sup>a</sup>	5574	4821	80.62	Wagoner Arcade
English China Co.	250 <sup>a</sup>	2374	100	754.25	METAL SA.
Eyecare Products	190 <sup>a</sup>	144	12	13.3	W. H. H. Co.
Field Group	320 <sup>a</sup>	3274		13.92	Chenoweth
Flores Dynamics	3275	27	20	5.77	Capric Investments
GenCorp	37255	357	3674	3.30n	Sam Leslie & P. Co.
Hill Engineering	50 <sup>a</sup>	120	107	51.8	ITR
James & Shapman	20 <sup>a</sup>	20	12.6	51.4	W. H. H. Co.
Luxaflex	17	20	4.034	13.930	TTU
Medco Petroleum	21955	3136	2641	287.79	Wachsmuth Inc.
Martson, Thompson	1346	1154	1038	4.3n	Scantland Power
PacificCorp	381	3376	2221	4.9	Scantland Power
Parkland Grp	63 <sup>a</sup>	6016	520	32.0n	Acorn Properties
Pemberton	320 <sup>a</sup>	3148	285	32.0	Scantland Media
Plymouth & Arnold	70455	674	6574	70.08	Flowers Inc.
Rebas	182 <sup>a</sup>	179	11919	168.35	Shore Acquisition
Robinson	359 <sup>a</sup>	3574	3104	545.19	Amway Inc.
Sensivest	200 <sup>a</sup>	212	174	81.5	Amway Inc.
Shawmut	167	163	1384	106.48	Danisco
Stakis	16755	164	141	1250n	Ludlum
Tetra	39155	2804	244	75.85	Stage Grp.
Video Group	82 <sup>a</sup>	61	4514	23.31	STMicroelect.
Waco	1470	1374	115	88.1	Sheraton
Westlake	500 <sup>a</sup>	480	475	105.0	Hillco
York Waterworks	452 <sup>a</sup>	440	425	31.45	Yorkshire Water

Price in penny units unless otherwise indicated. \*All cash offers. Some capital not already held. †

### ■ Last week's preliminary results

[illegible]

## DIRECTORS' DEALINGS: no let up as Rank Group directors go on buying spree



There was buying at Rank Group last week, with non-executive director Hugh Jenkins picking up 12,500 shares at 236p just a few days after Anthony Stanham acquired 19,910 shares at 227p, writes David Turner.

The shares are trading at around 238p, recovering from a recent fall to less than 200p. New chief executive Mike Smith takes over the

him next month but he could face a tough time with wild rumours circulating, although recent results look promising. Several directors at Enterprise bought last week with chief executive David Taylor leading the way with a purchase of 61,371 shares. Four other directors also bought bringing the total purchases to 177,826 shares at 71p.

### Transactions in own companies

**Bank Group**  
Share price (pence)

Feb 22 to Feb 26 1999

**Sales**

Company	Sector	Shares	Value (£'000)	No of deals
MidWest	Banking	131,311	1,771	2
Syner Groups	Media	90,000	172	1
Alamy Int. Ltd	Inv. Tot	37,000	72	1
Character Group	Media	460,000	1,611	1
Charterhouse Comm	Media	5,212,000	606	5
Scottish Radio Hedge	Media	10,000	60	1
Glass Williams	Pharma	10,000	206	1
Appli Graphics	Paper	10,800	19	1
Sidew Group	Paper	110,768	172	4
Gleaves Grp.	Retailer	247,680	67	1
Royal Blue Grp plc	Support	187,016	635	1
Axe Europe plc	Transport	75,000	195	1
Mid Kent	Water	5,135	34	2

**Purchases**

Company	Sector	Shares	Value (£'000)	No of deals
Barclays	Banking	1,058	16	1
Quadrant Group	Engineering	275,000	86	1
PIG International Grp	Food	47,000	20	1
Edinburgh Worldwide	Inv. Tot	10,000	20	1
Mid Wynd Inv. Tot	Inv. Tot	4,139	14	1
Pantheon Int'l 19800	Inv. Tot	18,000	60	1
Warrants & Value IT	Inv. Tot	50,000	23	1
Bank Group PLC	Lenders	32,410	76	2
Charterhouse Comm	Media	2,800,500	346	1
Rathbone Bros Plc.	Financial	28,916	146	1
Towry Law	Financial	650,772	84	1
Medvivo	Pharma	17,662	27	1
Ceo & Reg-Prop	Property	20,000	44	1
McKay Socia.	Property	13,970	18	2
ERA Group	Retailer	300,000	158	1
Adian Group	Support	30,000	10	1
Entertone	Support	163,325	116	1
Cable and Wireless	Telecom.	10,000	36	1
Severn Trent	Water	5,000	46	1

**Sales after exercise of options**

Company	Sector	Shares	Value (£'000)	No of deals
MidWest	Banking	150,246	2,024	2
R.D. of Scotland	Banks	141,000	1,716	1
BIC	Chemicals	30,000	253	1
Electronic Comtek	Electronics	40,000	300	1
Glass Williams	Pharma	4,500	64	1
Royal Blue Group	Support	402,240	2,011	4

\* Feb 18 1989 A.M. Standard  
 Index 18,910 (at 277)  
 \* Feb 22 1990 H.A. Justice  
 bought 12,500 at 230p

Compensated event notify the Stock Exchange within five working days of a share transaction by a director. This list contains all transactions (bought and sold), including exercise of options (\*) if 100% intraday only, with a value over £10,000. Information released by the Stock Exchange. Share traded are voluntary, unless otherwise stated.

Source: GDS20 The Inside Track, Edinburgh, 01463 430 3333

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## WEEKEND INVESTOR

ONLOOKER PHILIP COGGAN

## First an aspirin, then a placebo

Manufacturers get little help from the Bank but the worst could be over for them, anyway



An aspirin was all that Eddie George, governor of the Bank of England, said recently that he could offer UK manufacturers struggling with the effects of the strong pound. But this week he was even less helpful: he gave them a placebo.

The Bank's monetary policy committee (MPC) took a break after five successive rate cuts and left base rates unchanged at this week's meeting.

The MPC issued no statement with its decision but, in the past few months, has made repeated reference to the survey evidence provided by the likes of the Confederation of British Industry and the purchasing managers' index.

While those surveys still show the manufacturing sector in decline, the worst seems to be over – thanks, perhaps, to the confidence engendered by the Bank's previous rate cuts.

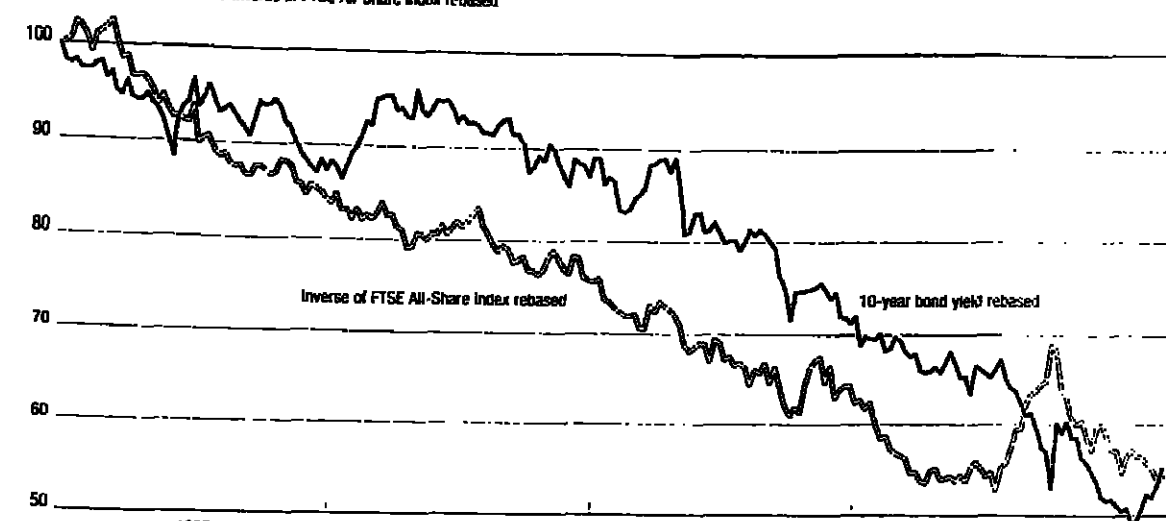
The market reacted calmly to the Bank's inaction; the real excitement came yesterday when the US employment data, while still strong, showed no signs of rising wage costs.

The Treasury bond market, which has been rattled in recent weeks by the strength of the US economy and the possibility that the Federal Reserve might raise interest rates, staged a rebound and confidence flowed through global equity markets.

The FTSE 100 index jumped more than 100 points in early afternoon trading yesterday, taking the blue-chip benchmark back past the 6,200 level, territory that had been undiscovered before this year. At the close, Footsie was 6,205.5. And, of course, yesterday's gain takes the market back to records in terms of historic valuations.

However, the high price-earnings ratio accorded to the overall market (about

Bonds and shares march together  
10-year bond yield rebounded and inverse of FTSE All-Share index rebounded



Source: Datastream/FT

25 on the FTSE 100, over 33 on the All-Share) disguises a substantial split in the market between the haves and the have-nots.

According to Datastream, there are seven FTSE 100 stocks (BP Amoco, BSKyB, Centrica, Compass, Securicor, SmithKline Beecham and Vodafone) trading on a p/e of more than 40, and a further three

Tomkins and United Utilities. A further 16 stocks have a rating of less than 15 including five utilities, the tobacco stocks BAT and Gallaher, and the mining company Billiton – all of which you would probably expect to have a low p/e. Bargain hunters may be interested in the others – a

betting on a rebound in the stock market's laggards has not been a successful strategy.

A quick glance at the "tearaway 10" shows that four operate in mobile telecommunications, two are in cable/satellite television and one in pharmaceuticals, all of which are perceived to be high-growth industries. BP Amoco's rating owes much to its big merger late last year, which left

insultations underweight in what is now Footsie's largest company and, accordingly, forced to chase stock.

These stocks have been favoured consistently by investors because of their ability to deliver earnings growth in what seems a very uncertain world. And, so far, it has always been worth paying a high multiple for these shares because other investors have pushed them even higher.

But if there is a looming threat to the high-multiple stocks, it might come from the bond market. The benchmark 10-year gilt yield had jumped from 4.14 per cent in late January to 4.51

per cent, as of Thursday night.

High-multiple stocks are shares which, by definition, are anticipating an awful lot of future earnings growth. The convention is for such future earnings to be discounted back at the prevailing bond rate to give the present value of the shares; the higher the bond rate, the lower the present value.

What about the "neglected nine"? Some have longer-term problems: Allied Domecq shares have underperformed Footsie for much of the past five years while Standard Chartered has had to cope with its exposure to the hard-pressed Asian economies. Others face intense competition, whether it is P&O on ferries or Alliance & Leicester on mortgages.

But it is possible that, as a group, the stocks are undervalued. The March issue of Company Refs shows that Tomkins and Safeway are trading on what are among the three lowest price-to-cashflow ratios in the index, and British Airways is one of the stocks with the lowest price-to-asset values.

Stock market dogs have kept on howling in the past few years but this has, in part, been a small company effect. The dogs will eventually have their day. philip.coggan@ft.com

## WALL STREET

## Buffett expresses doubts but the Dow refuses to hear

Is the market really at its peak? John Authers assesses the evidence

Warren Buffett, the world's most successful investor, carries some weight on Wall Street. Berkshire Hathaway, his investment vehicle, outperforms all the leading market indices with a consistency that stretches the bounds of the laws of probability.

So, it came as a shock when he gave a rare interview early this week and mused openly that the US stock market might be at a peak. "After a while, the very act of stocks going up starts drawing in other people who get excited about the fact that their neighbour made some money," he said. "That's when you get dangerous periods."

He fell short of saying the market had reached its peak. "You never know. You know that valuations are high, by historic standards. You know the level of speculation is high, by any historic standards, and you know that it doesn't go on for ever. But you don't know when it ends."

The market has evidently not reached a peak quite yet. Yesterday's employment numbers showed that growth in the US economy was less swift than some had expected.

The key measure was average earnings. Hourly pay rose by only 0.1 per cent last month, suggesting that inflationary pressure from the labour market was minimal. The annual rate of earnings increases slipped to 3.6 per cent, its slowest rate of inflation in 19 months.

A fall of 50,000 in the number of workers on manufacturing payrolls appeared to confirm that employees would not be bidding up wages any time soon. This



Warren Buffett: 'You know it doesn't go on for ever'

was excellent news for stocks, because it diminished the chances of a rise in interest rates by the Federal Reserve. As a result, the stock market went on a binge yesterday morning, lifting indices out of the range in which they had been trading for two months.

The Dow Jones Industrial Average, the most widely followed measure of blue-chip stocks, leapt almost 200 points within minutes of the employment announcement, taking it comfortably above 9,600 and leaving it above its record set in January. Bonds also surged, although, at 5.55 per cent, the yield on the benchmark 30-year Treasury remains significantly higher for the year. The latest dose of nerves seems over for now.

Even so, signs persist that investors do not trust present market conditions. Perhaps most revealingly, Goldman Sachs, Wall Street's most prestigious investment bank and its largest remain-

ing partnership, announced that it would make another attempt at an initial public offering. It hopes to float shares within three months.

Goldman's IPO has acquired the status of a soap opera over the past year. The 1998 attempt was launched only after long and painful deliberations involving the entire partnership. It was called off in the wake of the pounding that investment bank shares took after the Russian financial crisis, which hit in August. Jon Corzine, its popular co-chief executive, paid the price. He was kicked upstairs to the new job of co-chairman leaving Henry Paulson, originally an opponent of going public, as sole chief executive.

But the fact that it is rushing through with another attempt at an IPO so quickly after the last suggests that the company is not confident the market will stay at present levels. It needs the extra strategic options that equity capital would provide, and cannot afford to delay the flotation for long.

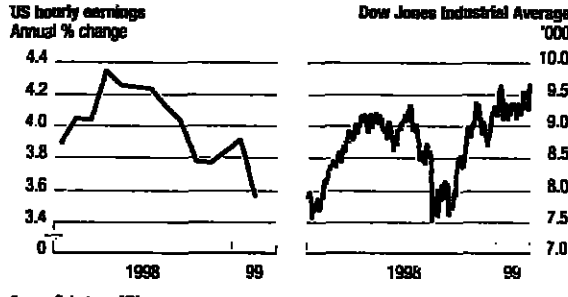
There is also technical analysis to back up the hunches of Warren Buffett and Goldman Sachs. At the beginning of the week, according to IBES, a research group that monitors corporate earnings, the Standard & Poor's 500 index was overvalued by 24.9 per cent, meaning that equities had been overvalued by 10 per cent or more for 10 successive weeks.

The model, based on comparing multiples of expected earnings with 10-year bond yields, suggested that the S&P was at its third highest level of overvaluation in 19 years.

Yesterday's fall in bond yields will bring equities closer to IBES's expected valuation. According to IBES, though, analysts expect that the present members of the S&P 500 will grow their 1999 earnings by 17.6 per cent this year.

Last year's earnings growth rate, on its calculations, was 0.4 per cent. Quarterly profits have not risen at a double-digit rate since the third quarter of 1997, so this looks optimistic.

It's an ill wind... less pay at factory gates means more for Wall Street



Source: Datastream/FT

THE LONG VIEW BARRY RILEY

## Now for tracker Cats

But don't forget... there's always a risk they might turn into dogs

Twenty years ago, index-tracking was a weird and controversial practice. Now, though, its virtues have been absorbed into conventional wisdom. Indeed, the government is effectively promoting tracking through the so-called Cat-marked individual savings accounts (ISAs) to be sold from April 6. But are we likely to get good investment advice from the government?

It is almost impossible for providers to meet the Treasury's Cat standards for equity ISAs except through low-cost tracker funds. One is being launched by Marks and Spencer, for example, and another by that bearded chap with the jumper and the big grin. Index-tracking, the Virgin Direct brochure promises "It removes human error, so you never have to worry that your money is being invested solely on a fund manager's hunch."

Roughly speaking, formal index-tracking accounts for 25 per cent of the US equity market and perhaps 20 per cent in the UK. The trackers are piling on new business because, although it was always likely that they would perform well in the long run (thanks to low costs), they are now leading the field in the short run, too. How come?

In the past, it has been estimated that "passive" trackers would have to take a very large market share – more than 50 per cent, anyway – to disrupt efficient price-setting in the "active" part of the market. Now, it is hard to be so sure: some mighty strange things are going on. Barton Biggs, the investment boss at Morgan Stanley Dean Witter, points

out that Wall Street's S&P 500 index is now about 2.4 times higher than if median valuation yardsticks over the past 70 years still applied (this result comes from averaging eight different value measures ranging from dividend yield to price/cashflow ratio). Tony Dye, the beleaguered super-bear at Phillips & Drew in London, points out that the biggest 50 US companies stand at a 67 per cent price/earnings ratio premium to the market as a whole, whereas two years ago they were at a small discount. We should worry not just

about the growth of the trackers but also at the spread of so-called benchmarking. Most fund managers now are given the specific task of beating a particular index, or combination of indices. But most of them cannot in practice beat the index, so they join it. They become, in the jargon, closet trackers.

UK fund managers have reacted to their alarmingly poor relative results in the past two years by closing their bets against the All-Share index. According to an analysis this week from the investment bank Dresdner Kleinwort Benson UK, investment institutions as a whole (they own 52 per cent of UK equities) are now fully exposed overall to the top 50 companies listed in London. True, UK pension

It is almost impossible for providers to meet the Treasury's standards for equity ISAs except through low-cost tracker funds

cross-holdings. If all the fund managers across the market target a full weighting, there will often simply not be enough stock to go round. A price bubble might be generated, and this can become asymmetric. As large company share prices rise, a bigger and bigger share of new tracker money will be sucked in, further fuelling the fire.

Active fund managers will spot valuation anomalies and will open up short positions against the index weightings. But in conditions like those of the past couple of years, they will be trampled beneath the herd. Their clients, disappointed by poor investment performance, may transfer their money to the tracker funds, giving a

final twist to the spiral. This is by no means a complete explanation for the megastock phenomenon. Big companies often have been better placed than small ones to benefit from globalisation and the implementation of new technology. But the trends are extreme.

We should not swallow the casual government line that tracker funds are safe. After all, managers of FTSE 100 tracker funds are becoming concerned that stocks such as BP Amoco and Glaxo Wellcome account for as much as 7 per cent of the index each. At 10 per cent they would hit the limit for single stocks under unit trust rules, set long ago to protect investors against excessive risk.

Conceivably, the trends might go into reverse. In Japan, active managers regularly have outperformed the index by about 2 per cent annually. Events in Tokyo remind us that, in tough financial conditions, those ostensibly "locked up" cross-holdings can easily be dumped to raise cash. If tracker funds are already fully weighted, there will be a structural shortage of buyers.

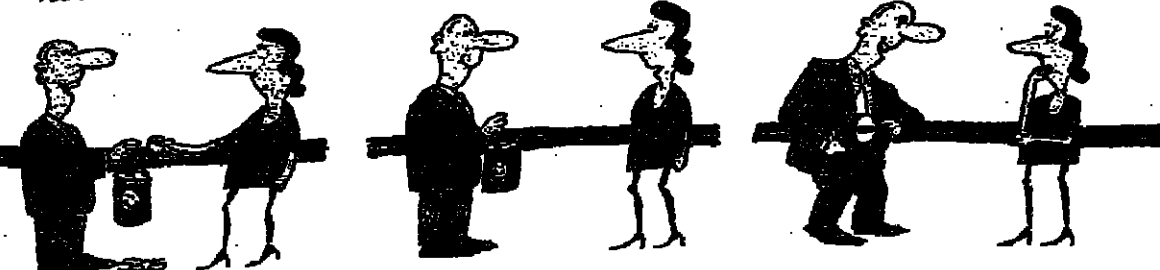
This phenomenon might prove troublesome in a future bear market in New York or London. Excess supply of stock could mean that the asymmetry would work in the opposite direction and many fund managers would find themselves unintentionally overweight, especially in the biggest stocks.

It would pay to have some good hunches again. Those Cats just might turn into dogs.

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## FT WEEKEND

In any debate, you should mould the agenda to your cause. One of the best ways is by bare-faced assertion, using words that appear neutral, but are deliberately framed as an agenda-begging device.

Consider a recent bulletin from the Centre for European Reform, one of a plethora of little think-tanks recently spawned in Britain. A front-page article by Sir Rodric Braithwaite, formerly Britain's ambassador to Moscow, entitled "What Next for Russia?", starts: "Russia is a European country, albeit one with many non-European interests."

The confidence is deliberately disarming. For the casual reader may not immediately realise that Sir Rodric's opening assertion of Russia's European-ness is in fact the underpinning of his whole argument. If Russia is really "European" (in some sense which he does not define) then it has moral claims on western Europe, notably the European Union, and western Europe has a duty to help Russia.

Maybe we should consider what the word "European" meant to the people who invented it.

## WORDPLAY

## Beggars and losers can become winners and choosers

Cultural barriers dividing countries are more susceptible to change than those that are geographic, says Ian Davidson

The ancient Greeks used the geographical term "Europe" to describe, in the first instance, the Greek mainland, and then by extension, the land-mass lying to the north of Greece.

The Greeks seem to have explored the Danube as far as the Iron Gate, a gorge through the Carpathians between Yugoslavia and south-west Romania, and Russian rivers as far as Kiev or even perhaps Smolensk. According to the Oxford Classical Dictionary, they regarded the River Don as the farthest boundary of Europe. All of which suggests that Europe, for the ancient Greeks, may have included today's Ukraine and Belarus, but not today's Russia.

But of course, the fundamental divide was between the Greeks of all kinds, and the rest of humanity, or "foreigners". And

just as the Hebrew word for foreigners was "gentiles", so the Greek word for foreigners was "barbaroi".

Originally, the classical Greeks applied "barbaroi" to all non-Greeks, principally to the Medes and Persians, but in the Augustan age of the Roman empire, the word was applied by the Romans to any tribes with no Greek or Roman accomplishments. In other words, the dividing line for the ancients was between people like us, on the one hand, and all outlandish foreigners, on the other, or, as we would say now, barbarians.

This may sound like a justification for xenophobia, but it is not really. For, if there is going to be a division between us and them, it seems better on the whole that it should be defined in cultural than in geographic

terms; partly because most geographic boundaries are essentially artificial, but mainly because it is the cultural divides that are most emotionally charged. But, above all, because

**The dividing line for the ancients was between people like us, and all outlandish foreigners**

cultural divides can in theory be removed, whereas geographical boundaries cannot.

Last December, Geoffrey Bindman, a leading British human rights lawyer, welcomed

the decision by Jack Straw, the British home secretary, to permit an extradition case against General Augusto Pinochet, the former Chilean leader. "The law," he said, "has been applied to a man who is charged with all kinds of injury, torture and barbarity." By this expression he obviously intended to include all the many other crimes committed by the Pinochet regime.

As if by coincidence, on that same day the International Herald Tribune carried an article about the 50th anniversary of the UN Declaration of Human Rights, by Tommy Koh, director of the Asia-Europe Foundation of Singapore. In it he accepted that the declaration had helped make the world more humane.

But he argued that since different countries were starting

from different points, they should be allowed to progress at different speeds. He observed that the development of human rights law had mainly been driven by the dominant west; and objected in particular to "the current effort by Europe to impose its opposition to capital punishment on the rest of the world". In other words, the dividing lines are not just geographical or cultural but political and, in some sense perhaps, moral.

According to Amnesty International, 91 countries have kept capital punishment, and they include most of the very big ones, such as China, India, Russia, Ukraine, Belarus, Kazakhstan, the US, Indonesia, Iran, Iraq, and Singapore.

But it has been abandoned in more than 100 countries, and the

place where abolition has been most systematic is Europe, under the influence of the Council of Europe and the European Convention of Human Rights. The only countries in Europe, east or west, that have not abolished it, according to Amnesty, are Bulgaria, Latvia and Lithuania. But they will obviously have to do so if they want to join the European Union.

There is not much point asserting that Russia is a European country, unless one can go on to claim it behaves like a European country, and in particular like those countries in western Europe from which it expects to make a moral claim.

These barriers are not immutable. In the mid-19th century, half the French population consisted of rural peasants, who lived in conditions of such poverty and backwardness that travellers described them as savages.

A lot has changed in France since then, as in other countries in Europe. In terms of development and civilisation. So perhaps there is hope for us all, the Russians included.

## ARCADIA

## Game — dart and count

Georgina Hunter-Jones takes a helicopter safari with a difference through the dense African bush

The Jet Ranger helicopter lifts uneasily. At dawn it is already 30°C. This, and being 4,000ft above sea level, makes for edgy flying.

Low above the scrubland we start our search for sable, the first of the animals to be darted. The ground crew, meanwhile, follow in three *bakkies* (Africans for pick-up trucks), keeping their eyes on the helicopter and trying to follow it through the dense bushland.

We are taking part in game capture in the wildlife park of Sandveld in the Free State in South Africa, and are the final link in a chain which started with a foot tracker following a trail.

In this case, the animal is being darted for electronic tagging, although on other occasions the helicopter will be used for counting the animals or for driving them into a *boma* (a funnel-shaped opening disguised by the trees) before selling them.

A sable is spotted among the trees and the chase is on. The vet, Pierre Nel, his darting gun ready for shooting, leans precariously out of the Jet Ranger, while the pilot, Paul Davies, now flying at roughly 20ft above the ground, follows the twists and turns of the pursued sable.

This can be dangerous work as sable are intelligent animals and aware that the best way to avoid capture from the predator above is to dive under trees and scrubby bushes where the helicopter cannot follow. Sometimes this means the ground crew have to drive their *bakkies* towards the trees to frighten out the sable, and means close co-ordination between ground and air crew.

Finally the vet is able to get a clear shot at the sable's flank and fires a dart. The sable ducks under the helicopter, this time

narrowly missing the skids, although once before an animal got its horns stuck in the skids and nearly brought it down. The *bakkies* move in closer.

The helicopter climbs up to 1,500ft to keep an eye on the sable while the effect of the drug takes place. Depending on the strength of the mixture and the type of animal, it can take anything up to five minutes for the animal to collapse — enough time for it to fall into the lake and drown or hide in such thick bush that it cannot be found by the team in the *bakkies*. It is essential not to lose sight of it because an antidote has to be administered to prevent the animal lying unconscious and becoming vulnerable to predators.

This sable takes seven minutes

to fall and the vet decides to change the strength of his mixture for the next dart.

The helicopter lands close to the sable and the vet gets out. The animal is not completely unconscious and this is a dangerous time for the team, as the scared sable can lash out and hurt itself or them.

Kees, a large bearded Afrikaner, approaches from behind, with a swift movement which belies his large belly, grabs the horns and holds the animal firm, while an assistant puts a blindfold over the eyes. (The drug increases sensitivity of the eyes to sunlight and being unable to see helps the animal relax.)

The remaining group from the *bakkies* moves in and the animal

is tagged and the antidote administered. Once the blindfold is removed the group step back nervously, some running back to the *bakkies*, others waiting to see how the sable will react.

**'Finally the vet is able to get a clear shot at the sable's flank and fires a dart. The sable ducks under the helicopter, narrowly missing the skids'**

Reaction varies between species and sometimes between individual animals. Sable either refuse to get up and have to be encouraged by tapping them with the *bakkie*, or they jump up and bare off into the trees, glad to be free of their pursuers.

Rhino, on the other hand, are very different. They want someone to pay for their down-time and will attack anything in sight including neighbouring trees, vehicles and people.

means it is impossible to carry much fuel in these hot temperatures. It had landed out of fuel because a vet had had three attempts before successfully darting the rhino.

The pilot went to get some more fuel. The vet did his work, administered the antidote and climbed a tree to get away from the waking rhino. Unfortunately, as the animal awoke the sun came out from behind the clouds and shone directly on the helicopter.

The glint of the windscreen alerted the rhino and it pushed through the undergrowth to find the perpetrator of its pain. It did not leave the R22 until it was completely dead. The helicopter had to be sent on a trailer to Johannesburg for

repairs; six months elapsed before it returned to rhino hunting.

Techniques used in capturing animals vary, depending on the type of animal. Small animals such as impala and springbok will be herded into *bomas*, then into pens from whence they are taken in trucks to their destination.

Larger animals will be captured individually. This is partly because of the difficulty of herding large animals but also because of their relative worth: between 2 and 4 per cent of animals will die from Capture Myopathy during herding. Little is known about this disease but animals collapse and die without any apparent reason, and since one rhino can be worth about \$30,000 they are captured individually and not herded.

As the world becomes more conservation-conscious game parks are increasing throughout Africa, but ironically all but the biggest cannot exist from eco-tourism alone and most are forced to fund themselves by selling to zoos, or for hunting, either for *biltong* (dried meat) or for game hunter's trophies.

Even prisons, such as Kirkwood and Goedmoed, keep game parks to keep themselves self-sufficient. Helicopters are used for game counting so the authorities know how many of each species they have and which type they can eat without damaging their herds. Thus one year the prisoners may be fed a large amount of kudu and another year huge helpings of impala.

This applies to game wardens too: at the end of a hunting day in which we tagged six sable, three kudu and herded impala and buffalo, we sat down to a hearty *braai* (barbecue) of kudu, impala and buffalo.

## METROPOLIS

## Rome reborn will not be built in a day

Eleanor Curtis reports on a remarkable upsurge of architectural renewal ahead of the Christian jubilee and the millennium

Spurred by the forthcoming Christian jubilee and with the added impetus of the new millennium, Rome stands poised for another burst of architectural rejuvenation.

From jubilee to jubilee, Rome has encouraged brave new architecture, piling further layers on to its richly encrusted urban history. Bramante, Raphael and Michelangelo revolutionised church-building for the jubilees of the 16th century, transforming St Peter's and crowning it with a vast dome finished by Della Porta after Michelangelo's death.

The next jubilee starts at Christmas 1999 and runs for 16 months until Easter 2001, with a particular focus on urban renewal. This time, with the extra dimension of the millennium, the Vicariato di Roma (Church of Rome) seems again to be sparking off novel architectural trends. Even Rome's normally cautious city authorities, which have always feared mixing the modern and the historic, have been caught up in this spirit of adventure.

The Vicariato's programme of 50 new churches, in a city that already has 400 and an inexhaustible list of other historic monuments, has set the pace for an exciting architectural build-up to the Christian holy year.

On a more mundane logistical level, Rome is preparing for an extended party, with an estimated 24m guests expected throughout the jubilee.

Since Pope Boniface VIII inaugurated the first jubilee in 1300, preparations for the arrival of pilgrims during the course of the holy year and policies of urban renewal have been acknowledged as a responsibility by the Vatican.

This year, however, with the marking of the millennium, the state is sharing the financial burden for the jubilee with the Church. Plans for this jubilee approved by the Italian government include nearly 1,000 projects throughout the city, to be paid for out of Rome's jubilee budget total of £3,500bn (£1.2bn).

While the Church is commissioning such international names as Richard Meier, an American, and Alvaro Siza from Portugal to construct two new churches, Rome's city council has chosen

an Italian, Renzo Piano, to design the new Auditorium, a music and arts complex. Separately from his liturgical commission, Meier will have responsibility for reconstructing one of Rome's most important historic mausoleums, the Ara Pacis, an Augustan altar of peace dedicated in 9BC.

Modern civic development is also vigorous. Zaha Hadid, an Iraqi-born architect now based in Britain, won a competition for the commission to design the new Centre for Contemporary Arts, and another competition is in prospect for a convention centre.

Other ambitious projects include a contemporary art gallery, five new metro stations, a new theatre and a technology park.

Could Rome once again be inaugurating a renaissance in liturgical and civic architecture?

Meier, famed for his designs for the Getty Centre in Los Angeles, was chosen from six international entrants for his design of the symbolically named "Church

of the Year 2000". This gentle design is made up of squares and circles, with a rectangular core and three all-white concrete shells representing the holy trinity and glazed skylights suspended between.

"I can only imagine what Michelangelo must have felt like when he brought in the new designs for the dome of St Peter's," Meier told Pope John Paul II when he was received in the Vatican earlier this year.

As a non-Italian Meier's success came as a surprise, doubly so as he is the first Jewish architect in history commissioned to design a church for the Roman Catholic Church.

This liberal attitude is also evident in the Vicariato's desire for the new churches to contribute to the city on a cultural level, beyond its religious function. The 50 new churches will be built outside the city centre in the depressed peripheral suburbs of Rome, all with a dire need

for a community-centre based church.

Meier's church — which has the honour of leading the millennium celebrations — is set in one of those neighbourhoods characterised by 17-storey tower blocks.

The design, however, seems to lend itself well to this high-rise audience, which can peer down from balconies into the church's curved skylights.

"I have a preoccupation with light," says Meier, "and was happy that this wall [of skylights] would also allow the community to look down into the church from above."

But some critics have questioned whether it will look like a church at all. It clearly relates symbolically to the Catholic Church, with its wall of three curving shells representative of the holy trinity. But it could easily be mistaken for a wonderful piece of modern sculpture.

Unlike Meier, Alvaro Siza, the second leading architect to be

Rome "a much-needed injection of new energy".

After 40 years of urban stagnation, a tangled web of civic corruption and a conservative attitude that has dared not intervene with the historic city, Cecchini is pleased to be spearheading a new wave of creative projects.

"Previous administrations have always viewed the city's history as a constraint, whereas we are looking at how this aspect can enrich the site. The dialogue between the old and new can be solved in a creative way."

Piano's Auditorium, for example, was held up for 10 months after the discovery of an ancient Roman villa as foundations for the new building were being dug. But the finds have since been incorporated into the design of the new building.

"It is impossible to do anything in Rome without the weight of the city's history behind you. Wherever you work, you are guaranteed to find something," says Cecchini.

With even more notable architects to be chosen for the remaining civic projects, and 50 churches waiting to be commissioned, Rome could be starting another architectural renaissance in which post-modern designs have no choice but to pile present on top of past.

2000 150